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Clinton Sounds Food Safety Alarm

He Calls for a Ban on Produce That Doesn't Meet U.S. Rules

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton urged Congress on Thursday to ban the importation of fruits and vegetables from nations that did not meet U.S. safety standards.

"With these efforts we can make sure that no fruits and vegetables cross our borders, enter our ports or reach our dinner tables without meeting the same strict standards as those grown here in America," Mr. Clinton said.

The president said he would ask Congress next year to finance a Food and Drug Administration corps of inspectors to examine produce safety in other countries.

The legislation he seeks would give the food agency the authority over produce imports that the Agriculture Department exercises over meat and poultry. The Agriculture Department now inspects meat plants in many countries.

Any country that refuses to allow food agency inspections, Mr. Clinton said, should be barred from selling produce in the United States.

His announcement, which drew criticism from some Latin American exporters, followed a series of scares about tainted food in the United States.

This spring, an outbreak of hepatitis among schoolchildren was traced to strawberries imported from Mexico. Guatemalan raspberries have been linked to disease outbreaks the past two summers.

In 1993, four Americans died in an outbreak of bacteria E. coli from fast-food hamburgers produced domestically, and many were sickened by an outbreak last summer.

Though the U.S. food supply is generally considered to be among the safest in the world, Vice President Al Gore said that tainted food causes as many as 33 million illnesses and 9,000 deaths each year in the United States. Most are linked to improperly cooked chicken, eggs or hamburger.

Increasingly, however, produce has been involved. Reports of E. coli outbreaks in vegetables in the United States — linked largely to the use of manure as fertilizer — have

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Snag in NATO Expansion

Europe Resists U.S. Demand to Bear Bulk of Costs

By William Drozdiak
Washington Post Service

MAASTRICHT, Netherlands — A fresh conflict between the United States and Europe over the costs of NATO enlargement threatens to complicate the accession of Poland, Hungary and the Czech Republic just as legislatures are opening the final debate on whether to ratify the alliance's expansion.

Barely three months after Western leaders toasted the alliance's embrace of the new democracies at a summit conference in Madrid, several European governments are voicing serious misgivings about the U.S. insistence that they, along with the new members, carry the overwhelming burden of additional expenses related to NATO enlargement.

The gravity of U.S.-European differences became clear Thursday during a protracted discussion by alliance defense ministers on the nuts and bolts of the military adaptations necessary to carry out the most ambitious territorial expansion of the North Atlantic Treaty Organization in its 48-year history.

The Clinton administration estimates that NATO expansion should cost about $35 billion over the next decade or so and that the U.S. share will amount to no more than $2 billion. Washington contends that the lion's share of the costs should be borne by existing allies and the new partners because they need to make the biggest investments to adapt their national military forces to the rapid mobility and power projection requirements of the post Cold War era.

But existing members are balking at the idea of paying an extra $16 billion or more to expand the alliance at a time when public opinion is clamoring for a peace dividend. With their economies strapped by austerity measures and with no visible threat on the horizon, European governments are loathe to embrace the politically unpopular cause of larger defense budgets.

At the same time, there are strong doubts that the new members will be able to afford the $17 billion investment the administration says they must make to bring their defenses up to NATO standards. The International Monetary Fund recently urged Poland, Hungary and the Czech Republic to avoid ex-

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Smog Is Blotting Out Asian Economies, Too

By Michael Richardson
International Herald Tribune

SINGAPORE — As Southeast Asia enters a fourth successive month shrouded in smoke and smog, it is starting to count the economic costs in terms of falling tourism, disrupted transport, damaged crops and diminished investor confidence.

The Singapore government warned Thursday that outdoor work would be stopped if air pollution worsens, while poor visibility at Indonesian airports caused the latest of a series of canceled and delayed flights.

The smoke from forest fires in Indonesia blanketing Malaysia, Singapore, Brunei and parts of Thailand and the Philippines traps pollution from transport and industry, creating smog that is dangerous to health and damaging to the economy.

Some factories, schools, airports and shipping lanes have been closed, and road traffic has been disrupted.

Tourism — a major foreign exchange earner worth about $26 billion to the region in 1996 — is being hit as European, American, Australian, Hong Kong and Japanese visitors cancel trips scheduled for October, travel agencies reported.

Further cancellations and deferrals are expected by the agencies in November if pollution conditions do not improve. An analyst at Nikko Research Center (Singapore) Pte Ltd said Thursday that slower tourist arrivals would affect Indonesia, Singapore, Brunei and Malaysia by reducing hotel, restaurant and retail earnings.

Other analysts said they were more concerned at the psychological impact of the smoke and smog — and the inability of Indonesia and its neighbors to take effective action to tackle the problem — on foreign investors.

Investment and business confidence in Southeast Asia, until recently regarded as an unstoppable economic dynamo, have been undermined by steep falls in the value of local currencies and stock markets.

"The timing of the haze is very bad

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Reuters

Singaporeans fishing Thursday in the Strait of Johor despite the heavy haze that continued to blanket the area.

Clinton Tunes TV Onto a Hot Topic

By James Bennet
New York Times Service

WASHINGTON — It was cloudy and cool outside the north portico of the White House as Steve Doocy, the jovial Fox News Channel meteorologist, asked Al Roker, the ebullient NBC meteorologist, just why it was that the president of the United States had invited them over.

"Because we promised to bring Krispy Kremes!" Mr. Roker chortled, serving up the notion that the president might enjoy tucking into one of the famed sugar-glazed donuts with him.

Then Mr. Roker sobered up and told the Fox viewers watching the live broadcast that President Bill Clinton wanted to talk about changes in the global climate.

"Al, let me ask you this," Mr. Doocy said. "About the global warming thing — we're against it, right?"

"We don't like global warming," Mr. Roker agreed. But he added that, looking at the bright side, he owned some land in Pennsylvania, "and within a few years, I may have beachfront property!"

On the theory that you need a weather forecaster to know which way the wind blows, Mr. Clinton invited more than 100 national and local television meteorologists to the White House on Wednesday for a chat with him and Vice President Al Gore and for briefings on climate change from government experts.

The administration hopes that the forecasters will influence public opinion on climate change more than their counterparts on the evening news, who Clinton aides complain pay scant attention to the issue.

"You, just in the way you comment on the events that you cover, may have a real effect on the American people," the president told the assembled broadcasters.

Playing host to television weather

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'President' Blair Rises Above Party Restraints

A Lone Spotlight Follows the U.K. Leader

By Dan Balz
Washington Post Service

BRIGHTON, England — Tony Blair has adopted many personas as Britain's leader: political reformer, griever in chief, genial host of Friday night town meetings, relentless enforcer of a disciplined message. He is called the prime minister, but he plays a role more familiar to Americans — the role of president.

Both as a candidate and as prime minister, Mr. Blair has embraced a presidential style of leadership, geared for the age of television and the era of declining faith in political parties.

He knows well how to manipulate the levers of party politics, but his soaring popularity has grown more out of his ability to tap the public mood and often define it first, unencumbered by party or cabinet.

At the Labour Party's annual conference in this seaside resort town, the difference between Mr. Blair and the rest of his new government is clear. There are other formidable figures in his cabinet and others no less committed to the modernizing agenda that is the hallmark of the Blair government. But more than the others, Mr. Blair rises above the restraints and boundaries of his party and speaks directly to the people.

His entrance into the hall Tuesday afternoon was emblematic of the style of politics he practices. A lone spotlight in an otherwise darkened arena followed Mr. Blair as he made his way from a side entrance, down the aisles and onto the stage. It was the stagecraft of presidential-style politics, a single light concentrating the energy of the arena into the personality of a single political leader.

"He's moving toward a presidential style, and by the time he leaves office he will have completed the transition," said Robert Worcester of the polling firm MORI. "And it's clearly on his mind — on the forefront of his mind."

In the British press, Mr. Blair's keynote speech Tuesday prompted many comparisons, most of them to American presidents. Some saw John F. Kennedy in Mr. Blair's call for a new age of giving in Britain. Others compared his call for Britain to become "a beacon to the world" to Ronald Reagan's description of the United States as "a shining city on a hill." One analyst likened Mr. Blair's political agility to that of Franklin D.

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Spain's 'Normal' Royals

Bourbons Garner Approval With Simplicity

By Gary Abramson
The Associated Press

MADRID — After the Windsors provided a case study in how royalty can rub the public the wrong way, the world's blue bloods will get a glimpse of how a modern monarchy can work.

The relaxed yet respected position carved out by King Juan Carlos I and his family is already evident as Spain prepares for the wedding Saturday of his daughter, Cristina, in a Barcelona cathedral, with a host of highnesses in amendance.

The abundant profiles, photos and commentaries in the press about Cristina and her fiancé, the handball star Inaki Urdangarin, have been totally absent of criticism about her choosing a commoner three years her junior.

The kind treatment may partly be a function of self-censorship by Spain's aggressive news media and politicians, who are quick to launch scandalous accusations against other public figures.

"There's an unwritten pact here that on certain issues, the royal family isn't touched by press," said Arsenio Escolar, an editor at El Pais, Spain's largest newspaper.

Still, the popularity of Spain's royal family is more the result of the way they go about their lives. Unlike the British royal family, who have remained remote, the Spanish monarchy has moved into the public domain.

What seems to charm Spaniards most is Cristina's independence and informality — much as Britons were smitten with the tendency of Diana, Princess of Wales, to abandon royal etiquette. The 31-year-old middle child of Juan Carlos and Queen Sofia is admired for her decision to move to Barcelona five

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Agence France-Presse

A huge portrait of Princess Cristina and her fiancé, Inaki Urdangarin, being hung in Barcelona on Thursday, in preparation for their wedding.

How to Spend $30 Billion Without Borrowing Cash

By Brett D. Fromson
Washington Post Service

If all goes according to plan, WorldCom Inc. will not need to borrow a penny to buy MCI Telecommunications Corp. for about $30 billion.

The Mississippi-based phone company and Internet service provider would simply issue more shares of its common stock and then exchange them for all of MCI's shares outstanding.

This is a deal for the 1990s, a period when the high-flying stock market has made shares of common stock the currency of choice in the mergers and acquisitions game.

The key to WorldCom's record-breaking bid for MCI is the willingness of sellers to accept shares in fast-growing companies such as WorldCom. Implicit in this deal is the widespread belief that common stock is just as good as, if not better than, cash.

Companies such as WorldCom that have high stock prices are in the position of Americans in Paris in 1985, when the lofty dollar was worth 10 French francs. They can afford to buy almost anything.

"You can do a deal without any financing as long as you have currency that the other company will take, and the best telecom currency available today is WorldCom stock," said Raghu Ram, a telecommunications-services analyst in New York for Wheat First Securities.

This has not been lost on WorldCom executives and their advisers at Salomon Brothers Inc. They are offering MCI shareholders an all-stock deal that WorldCom values at $41.50 a share.

They propose to exchange slightly more than one share of WorldCom for each share of MCI. If WorldCom stock declines before the deal is consummated, WorldCom would increase the number of shares to be traded for each share of MCI.

In effect, WorldCom proposes to give MCI shareholders 45 percent of the new company in exchange for WorldCom's

• WorldCom's shares rise. • An iconoclastic chairman. Page 13

100 percent ownership in MCI. WorldCom shareholders would own the balance of the merged corporation.

The potential appeal of WorldCom shares stems from the fact that the stock has risen about thirtyfold since 1989. MCI shares have not even doubled in that period, according to Mr. Ram.

In addition, WorldCom said that if the deal went through, the combined company could see 22 percent higher earnings per share. If profits rose by that amount, WorldCom stock probably would rise further. Traders noted that

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Samurai Who Made Amends

Pilot Who Bombed Oregon Dies at Peace With Himself

By Nicholas D. Kristof
New York Times Service

TOKYO — Nobuo Fujita, 85, a Japanese pilot who flew bombing runs over Oregon in 1942, apparently the only time in American history that an enemy aircraft has bombed the American mainland in war, died of lung cancer Tuesday at a hospital near Tokyo.

Mr. Fujita, whose incendiary bombs set off forest fires in Oregon's coastal range, played the key role in a quixotic plan by Japanese military commanders to put pressure on America's home turf in World War II. The idea was that the U.S. Navy would then be obliged to retreat from the Pacific to protect the West Coast.

A quiet, humble man who in his later years was deeply ashamed of his air raids on the United States, Mr. Fujita eventually forged a remarkable bond of friendship with the people of Brookings, the small logging town whose forests he had bombed. Last week, as Mr. Fujita lay dying, the city council of Brookings hailed Mr. Fujita an "ambassador of good will" and proclaimed him an "honorary citizen" of the town.

See PILOT, Page 4

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Dh
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

The Dollar

New York	Thursday @ 4 P.M.	previous close
DM	1.773	1.7745
Pound	1.6159	1.6156
Yen	121.805	120.905
FF	5.958	5.9605

The Dow

	Thursday close	previous close
+12.03	8027.53	8015.50

S&P 500

change	Thursday @ 4 P.M.	previous close
+5.05	960.46	955.41

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AGENDA

Bodyguard Still Hazy on Diana's Crash

PARIS (AFP) — Trevor Rees Jones, the bodyguard who survived the car crash that killed Diana, Princess of Wales, told the police Thursday more about events before the accident but still could not remember the crash itself, sources said as he prepared to fly home to Britain on Friday. In his second interview since the crash on Aug. 31, Mr. Rees-Jones was more "verbose and more exact" in his answers than the first time he spoke to an examining magistrate about the crash, the sources added.

U.S. Prepares Laser Test Against Satellite

The United States will shoot at an aging air force space satellite in a test of a ground-based laser, the Pentagon said Thursday.

Defense Secretary William Cohen approved the experiment in an effort to "reduce the vulnerability of U.S. satellite systems," the military said.

Critics of the laser test have said it could push the United States further toward approving space-warfare technology. Page 8.

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Traitor or Patriot? / **A Cold War Tale**

After Years of Exile, a Polish Spy Wins Redemption

By Christine Spolar
Washington Post Service

WARSAW — Redemption for Ryszard Kuklinski came on a recent September morning in a Washington office building. There, the Polish Army colonel who had leaked secrets to the CIA about how the Soviet bloc would wage conventional war in Europe was told he was not a traitor after all.

The pronouncement — the sum of 47 pages of evidence and reasoning — was read aloud by a Polish military investigator sent from Warsaw. Mr. Kuklinski, listening to familiar, formal Polish in a quiet room a few blocks from the White House, never smiled.

The officer, now 67, had once thought this day would come years ago, as a part of a rich celebration after the fall of Communist rule in Poland. He said he imagined a countryman would shake his hand and say, "Kuklinski, I know what you did and why you did it" — to ease the pain of estrangement from his homeland.

Instead, it was 16 years after the CIA smuggled Mr. Kuklinski out of Poland and eight years after the country's Communist regime was toppled before the Polish leadership finally dropped treason and desertion charges against him.

From 1972 until just before the Communist regime declared martial law in 1981, Mr. Kuklinski fed every Soviet military document he could to the CIA.

A former military planner who became a trusted aide to the Communist president of Poland, General Wojciech Jaruzelski, he secretly turned over more than 30,000 documents that detailed the innermost workings of the Warsaw Pact military alliance — including Soviet war plans for Europe and details of advanced weapons systems.

His last such act was to inform the CIA in 1981 that the government intended to impose martial law and crush the anti-Communist Solidarity movement. Soon afterward, he was spirited from the country by the CIA.

Mr. Kuklinski supplied the United States with crucial information at a crucial time. Relations between Washington and Moscow were particularly strained, and Western military strategists considered a conventional war in Europe a distinct possibility.

In 1984, Mr. Kuklinski was tried in absentia by a Polish military court, found guilty of treason and desertion and sentenced to death. Six years later, as the Communist regime crumbled, his sentence was reduced to 25 years in prison, and in 1995 the Polish Supreme Court ordered a new investigation into his case.

In the end, only as the Polish military shook off its Soviet legacy and the prospects of the country's joining NATO brightened were serious steps taken to resolve his case.

"It is what it is," Mr. Kuklinski said about the decision, read to him the first week of September and announced here last week. "It wasn't a moment of joy. I had lost too much to be happy. I was, I suppose, satisfied that it happened during my lifetime."

Ironically, it was two men with ties to the old regime — President Aleksander Kwasniewski and Interior Minister Leszek Miller who revisited Mr. Kuklinski's case as a means of removing any political obstacles to Poland's joining NATO. The Clinton administration, the strongest proponent of Polish membership in an expanded NATO, indicated that it sympathized with Mr. Kuklinski, a hero by American standards whom supporters had dubbed Poland's first NATO soldier.

Colonel Kuklinski's last Polish Army ID card, issued in 1981. "Now people know. Even if this contribution was a small one, I was on the right side."

FOR MONTHS, the two former Communist politicians maneuvered secretly, speaking in code with U.S. officials about legal procedures and setting in motion a mission that brought Polish prosecutors from Warsaw to Washington to take testimony from Mr. Kuklinski.

Polish leaders found a passage in the country's penal code that allowed for a case review based on the proposition that Mr. Kuklinski believed he was serving Poland by passing Soviet secrets — in legal terms, he had acted "in a state of higher necessity."

Mr. Kuklinski had always maintained that he decided, without pay or persuasion, to provide documents to the United States to protect Poland in case of an East-West conflict in Europe. The Soviet Union, he argued, had planned to use Poland as a nuclear front line.

A Polish military court ruled along those lines when it dropped all pending espionage charges against Mr. Kuklinski, although few details of the decision are known beyond a two-page summary. Other court materials remain sealed because they contain security secrets, Polish military prosecutors said.

Since he and his family defected in November 1981, Mr. Kuklinski has lived under an assumed name at a secret location in the United States. His life has been marked by grief since he left Poland; both his adult sons have died: one in a car crash, the other in an unexplained boating accident.

Although his treason case has finally been resolved, his status in Poland has not. Just the mention of his name stirs hours of debate and musings about what makes a patriot in a nation in which history — and loyalties — cut sharp and deep, but never along simple, straight lines.

In a 1992 survey, 46 percent of those questioned felt that Mr. Kuklinski had "betrayed the interests of the Polish nation." Sixteen percent said they believed he "behaved like a Polish patriot."

Three years later, the tide shifted a bit. Surveys found that 16 percent of those polled were in favor of full rehabilitation for him, while 35 percent believed that if he did not take money for his actions his initial conviction should be expunged. A quarter of all those surveyed said the conviction should stand; the same percentage had no opinion.

Lech Walesa, the Solidarity founder who was Poland's first elected, post-Communist president, never moved to clear Mr. Kuklinski during his five years in office. Many people, including Mr. Kuklinski, said Mr. Walesa's inaction was rooted in the president's ambivalence and a desire to curry favor with the military.

In an interview recently, Mr. Walesa was clearly riled by Mr. Kuklinski's new status and sought to deflect blame for any delay in resolving his case.

"He never gave me the chance to solve the problem," Mr. Walesa said. "Obviously, Kuklinski gave the chance to the recent Polish government led by former Communists. He let them score the points in this."

In an interview days before the announcement of Mr. Kuklinski's absolution, Mr. Jaruzelski, the last Communist-era leader of Poland, spoke philosophically about his former aide, but he gave no indication that he thought Mr. Kuklinski — whom he described on radio this week as a deserter and a spy — would be cleared.

"I think it's natural that he returns as a Pole to his country," Mr. Jaruzelski said. "Poland has changed. This terrible situation has ceased to exist." He added: "But to consider him, to treat him, as a hero would be a discredit to those who served the army at the time."

SO AN AFFAIR deeply rooted in intrigue, ended in intrigue. In February, Interior Minister Miller traveled to Washington and met privately with Zbigniew Brzezinski, who was President Jimmy Carter's national security adviser and who had been a champion of Mr. Kuklinski's cause.

Mr. Kuklinski agreed to face Polish prosecutors and, with Mr. Brzezinski's aid, the ground rules were set. The interview would be held on neutral ground, outside any government or police agency. Two prosecutors would listen to all testimony, and the public would be informed of the proceedings only after a decision was made. The prosecutors were required to follow military protocol and address Mr. Kuklinski as "colonel."

"I value my name, not my rank," Mr. Kuklinski said. "The rank doesn't make you smart or stupid. But there had been a rumor that I no longer was to be called colonel. I asked them, because there was never any reference to that in my summons. When they said 'Yes, you are a colonel,' I wanted that standard. When two military men meet, there should not be any offense."

The closed-door interrogation — an exhaustive session that lasted four days — was held in a sixth-floor conference room next to Mr. Brzezinski's office at the Center for Strategic and International Studies, a Washington research center.

Mr. Brzezinski was there, as was the Polish ambassador, Jerzy Kozminski. Mr. Kuklinski brought a private attorney; two Polish military officers, Major Bogdan Wlodarczyk and Captain Jerzy Kwiecinski, asked the questions.

Throughout the summer, no more than a handful of people in Poland were aware of the new investigation. By July, a few days after Poland won an invitation to join NATO, the presidents of the United States and Poland met in Warsaw. Mr. Kuklinski's case was discussed, high-level officials said, but no one could say then how it would be resolved.

The prosecutors made their decision days before a scheduled parliamentary election in Poland. State-controlled television carried the news of his absolution on Sept. 22, the night after the voting.

"I waited eight years for this; I could wait a few more days," Mr. Kuklinski said. "Now people know. Even if this contribution was a small one, I was on the right side. And even if it was a very small one in a large horizon, it was all I had. And that, in fact, was one life."

Arafat Visits Freed Cleric In Jordan

By Serge Schmemann
New York Times Service

JERUSALEM — Yasser Arafat, the Palestinian leader, flew to Jordan on Thursday to call on Sheikh Ahmed Yassin, the Hamas religious leader who was released Wednesday from an Israeli prison — underscoring the potential impact of the cleric on the balance of Palestinian politics.

In the Gaza Strip, Abdel Aziz Rantisi, a leader of Hamas, said that Sheikh Yassin intended to return to Gaza in two weeks. He is certain to be treated as a national hero.

Although he is paralyzed in his arms and legs, near blind and near deaf, the 61-year-old sheikh is among the most potent symbols of Islamic resistance to Israel, and potentially to the Palestinian Authority of Mr. Arafat.

The sheikh is a powerful preacher and a founder of Hamas, the Islamic resistance movement whose military arm is responsible for many of the terror attacks in Israel.

Hamas is believed to be split between leaders in Gaza prepared to make political accommodation with Mr. Arafat, and more militant leaders abroad, including those in Jordan, who are firmly opposed to the Palestinian Authority's quest for a settlement with Israel.

While Sheikh Yassin has made no political declaration since his release, his decision on which side of Hamas to throw his weight behind could have a major impact on the movement's orientation.

Testifying to his importance, Mr. Arafat went to visit the sheikh at the King Hussein Medical Center, accompanied by the king.

Mr. Arafat said he hoped to see the sheikh soon in Gaza. "From the beginning, he was a supporter of the peace process, and I hope he will continue to be so," the Palestinian leader said.

King Hussein denied that Sheikh Yassin was released in a deal stemming from a botched attempt by Israeli agents to assassinate another Hamas leader in Amman, as alleged in authoritative Israeli and Jordanian press accounts.

"I believe there is no deal," the king said. "A deal is usually this for that, and none of this happened. I think the issue was a wish for humanitarian moves to be made."

According to the Israeli and Jordanian accounts, two purported agents of Mossad, the Israeli secret service, attacked the political leader of Hamas, Khaled Meshal, on Sept. 25, sending him to the hospital with serious poisoning. The attackers, who had Canadian passports, were caught and held in Amman.

TRAVEL UPDATE

No Bias Found in Airport Screening

WASHINGTON (AP) — A proposed airport screening program to identify potential terrorists will not single out travelers because of race, ethnicity or religion, a U.S. Justice Department review found. When fully in use, the screening will apply to all domestic flights and some international flights that originate in the United States by domestic carriers.

Middle Eastern groups have raised concerns that the program might unfairly target individuals of Arab and Muslim origin.

The automated profiling system, which the Federal Aviation Administration is expected to put into effect Dec. 31, will use computers to scan the travel history and any criminal record of fliers to identify potential terrorists. Justice's civil rights division found no reason to believe it would discriminate against passengers based on race, ethnicity, gender or religion, pointing out, for example, that the screening would not consider a person's name or style of dress.

A spokesman for the Council on American Islamic Relations said he was "cautiously optimistic" about the report.

New York City and state have agreed to build a rail system linking Kennedy International Airport with a rail station in Jamaica, Queens, that could be completed by 2002. *(NYT)*

Shuttle Helps Crew on Mir Replace Its Touchy Computer

Compiled by Our Staff From Dispatches

MOSCOW — The team aboard the Mir space station began restarting its orientation system Thursday after replacing the main computer to give the ship a new lease on life.

If all goes according to plan, the gyroscopic devices that keep Mir's solar panels facing the sun will be fully operational before the U.S. space shuttle Atlantis undocks from Mir on Friday.

The docked shuttle held the aging station steady while ground controllers beamed up software overnight for the new computer, a replacement for the one that has bedeviled Mir's crew for months.

Atlantis will cast off Friday afternoon, leaving a new American astronaut, David Wolf, on Mir and taking home his predecessor, the physicist Michael Foale.

Mr. Foale and his Russian crewmates, Anatoli Solovyov and Pavel Vinogradov, suffered three computer crashes last month alone, in addition to myriad other problems — all of which prompted some politicians to urge NASA to stop funding the 11-year-old station and cancel Mr. Wolf's mission.

The seventh successful docking of Mir and a U.S. space shuttle silenced some of the critics for now and provided the station with much needed supplies of water, air and equipment.

The computer brought by Atlantis was not new, but it had been fully overhauled since it was itself brought down from Mir after three years' service. Reusing old equipment is a familiar procedure for Russian space officials, whose work has been dogged by financial woes since the Soviet Union collapsed six years.

Those woes have been blamed in part for a series of accidents, including a serious fire in February and a near-fatal collision on June 25.

But both crews and ground controllers this week stressed the advantages offered by Mir to rehearse international cooperation in orbit before launches begin next year of components for the international space station.

In an effort to persuade NASA that Mir is still safe to fly, Russian officials Thursday reiterated their ambition to send Yuri Baturin, a top aide of President Boris Yeltsin's, to the space station next year.

Yuri Glazkov, a deputy head of the Star City cosmonauts training center, said Mr. Baturin had successfully passed all medical checks and would start training soon, the ITAR-Tass press agency reported. *(Reuters, AP)*

CORRECTION

Due to a reporting error, the figure given in the Sponsored Section on World Water (Sept. 30) to indicate freshwater available for human use was incorrect. The correct figure is 14 trillion metric tons.

WEATHER

Europe

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Algarve	27/80	19/66 c	26/79	17/62 c
Amsterdam	14/57	10/50 sh	13/55	12/53 c
Ankara	22/71	7/44 pc	16/61	4/39 r
Athens	26/79	18/64 s	20/68	12/53 c
Barcelona	25/77	16/61 s	24/75	16/61 s
Belgrade	14/57	3/37 c	15/59	6/43 c
Berlin	12/53	8/46 sh	11/52	10/50 sh
Brussels	14/57	11/52 c	13/55	12/53 c
Budapest	14/57	4/39 pc	16/61	8/46 c
Copenhagen	11/52	7/44 c	15/59	9/48 c
Costa Del Sol	27/80	18/64 pc	27/80	18/64 pc
Dublin	17/62	12/53 c	18/64	12/53 c
Edinburgh	18/64	11/52 c	16/61	12/53 sh
Florence	23/73	11/52 s	19/66	12/53 pc
Frankfurt	12/53	6/43 sh	14/57	9/48 r
Geneva	17/62	7/44 pc	18/64	9/48 s
Helsinki	6/43	2/35 sh	8/46	3/37 c
Istanbul	24/75	14/57 sh	15/59	8/46 pc
Kiev	8/46	4/39 r	8/46	2/35 sh
Las Palmas	24/75	19/66 pc	24/75	19/66 pc
Lisbon	26/79	19/66 pc	26/79	17/62 pc
London	18/64	12/53 pc	21/70	13/55 pc
Madrid	29/84	12/53 s	31/88	12/53 s
Mallorca	28/82	18/61 s	27/80	15/59 s
Milan	21/70	9/48 s	21/70	11/52 s
Moscow	6/43	6/41 r	6/43	3/37 r
Munich	9/48	2/35 c	14/57	7/44 c
Nice	25/77	16/61 s	23/73	16/61 pc
Oslo	10/50	6/46 c	13/55	3/37 pc
Paris	17/62	9/48 pc	18/64	11/52 pc
Prague	10/50	4/39 sh	13/55	9/48 c
Reykjavik	6/43	1/34 sh	7/44	6/43 c
Riga	8/46	3/37 sh	10/50	7/44 sh
Rome	29/79	19/66 s	23/73	12/53 pc
St. Petersburg	8/46	4/39 sh	9/48	4/39 c
Stockholm	8/46	4/39 pc	9/48	3/37 r
Strasbourg	14/57	9/48 c	19/66	11/52 c
Tallinn	7/44	3/37 sh	8/46	7/44 c
Tbilisi	29/84	18/64 pc	29/84	13/55 c
Venice	18/64	8/46 pc	18/64	11/52 pc
Vienna	11/52	4/39 c	13/55	9/48 c
Warsaw	10/50	3/37 c	9/48	8/46 r
Zurich	13/55	6/43 c	16/61	9/48 pc

Middle East

Abu Dhabi	43/109	25/77 s	43/109	25/77 s
Beirut	23/73	18/64 pc	23/73	18/64 pc
Cairo	29/84	18/64 s	32/89	18/64 pc
Damascus	26/77	13/55 pc	26/79	10/50 s
Jerusalem	23/73	12/53 s	23/73	12/53 s
Luxor	38/97	16/61 s	39/102	17/62 s
Riyadh	40/104	21/70 s	40/104	21/70 s

Africa

Algiers	31/88	17/62 s	32/89	18/64 s
Cape Town	27/80	15/59 pc	28/79	14/57 pc
Casablanca	23/73	17/62 c	24/75	17/62 pc
Harare	24/75	9/48 s	28/79	9/48 s
Lagos	29/84	23/73 pc	29/84	23/73 pc
Nairobi	25/77	13/55 pc	27/80	13/55 c
Tunis	29/84	17/62 s	28/82	16/61 s

Forecast for Saturday through Monday, as provided by AccuWeather.

North America
Lots of sunshine and comfortably warm Saturday through Monday in the Northeast and the Southeast, but rainy, windy and cool in the Pacific Northwest. Partly sunny, windy and warm in the northern Plains Saturday, with showers and thunderstorms Sunday; windy and chilly Monday.

Europe
Partly sunny and comfortable in London this weekend, but showers are likely Monday. Most of France, Spain and Italy will be warm with a good deal of sunshine. Windy and cool with showers in Berlin and Warsaw, while Belarus and western Russia will be cold with periods of rain.

Asia
Mild with showers in Seoul Saturday, then partly sunny and cooler Sunday and Monday. Beijing will be dry and cool through the period. Tokyo could have some rain Saturday; otherwise, mild with some sunshine. Soaking rain near Shanghai Saturday will spread eastward to southern Japan.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hce, W-Weather.

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Asia

	Today High	Today Low	Tomorrow High	Tomorrow Low
	C/F	C/F	C/F	C/F
Almaty	26/79	10/50 s	24/75	10/50 s
Bali	30/86	21/70 pc	31/88	21/70 pc
Bangkok	33/91	24/75 pc	32/89	24/75 r
Beijing	14/57	3/37 r	18/64	7/44 s
Bombay	29/84	20/68 s	29/84	19/66 s
Calcutta	29/84	20/68 pc	29/82	20/68 pc
Chiang Mai	32/89	21/70 pc	31/88	21/70 r
Colombo	29/84	23/73 pc	29/82	23/73 pc
Hanoi	31/88	24/75 r	29/84	23/73 r
Ho Chi Minh	32/89	24/75 r	31/88	24/75 r
Hong Kong	29/84	23/73 pc	29/82	23/73 pc
Islamabad	34/93	18/64 s	29/84	18/64 pc
Jakarta	31/88	23/71 pc	30/86	23/73 r
Karachi	35/95	23/73 s	37/99	23/73 s
K. Lumpur	31/88	22/71 r	30/86	23/71 r
K. Kinabalu	30/86	22/71 r	29/84	22/71 sh
Manila	30/86	23/71 pc	30/86	22/71 pc
New Delhi	29/84	19/66 f	27/80	20/68 r
Phnom Penh	31/88	24/75 sh	30/86	24/75 r
Phuket	33/91	24/75 pc	32/89	24/75 r
Rangoon	29/84	22/71 pc	29/84	22/71 pc
Seoul	25/77	14/57 s	22/71	8/46 pc
Shanghai	25/77	21/70 c	23/73	17/62 sh
Singapore	31/88	21/70 pc	29/84	21/70 r
Taipei	28/82	22/71 c	29/84	23/73 pc
Tokyo	22/71	17/62 pc	23/73	23/73 r
Vientiane	31/88	21/70 r	30/86	22/71 c

North America

Anchorage	7/44	-1/31 pc	7/44	-3/26 pc
Atlanta	29/82	13/55 s	28/79	16/61 pc
Boston	19/66	11/52 pc	19/66	12/53 pc
Chicago	27/80	14/57 pc	21/70	11/52 pc
Dallas	34/93	18/64 s	29/84	17/62 pc
Denver	23/73	7/44 s	27/80	9/48 s
Detroit	24/75	14/57 pc	22/71	10/50 pc
Honolulu	30/86	23/73 pc	31/88	23/73 pc
Houston	31/88	18/64 s	29/84	18/64 pc
Los Angeles	30/86	18/64 s	31/88	19/66 s
Miami	31/88	23/71 t	31/88	24/75 t
Minneapolis	26/79	10/50 sh	19/66	6/43 s
Montreal	14/57	7/44 sh	21/70	13/55 sh
Nassau	30/86	21/70 pc	30/86	23/73 t
New York	21/70	12/53 pc	24/75	14/57 pc
Orlando	30/86	20/68 pc	30/86	21/70 pc
Phoenix	39/102	23/73 s	38/100	24/75 s
San Fran.	24/75	13/55 s	25/77	13/55 s
Seattle	17/62	11/52 r	18/64	11/52 sh
Toronto	20/68	12/53 pc	23/73	9/48 sh
Vancouver	13/55	9/48 r	14/57	4/39 sh
Washington	24/75	11/52 pc	26/79	13/55 pc

Latin America

Buenos Aires	17/62	12/53 sh	18/64	9/48 s
Caracas	30/86	20/68 pc	29/84	21/70 pc
Lima	23/71	17/62 c	21/70	17/62 c
Mexico City	23/73	11/52 pc	21/70	11/52 c
Rio de Janeiro	23/73	15/59 pc	22/71	15/59 pc
Santiago	18/61	4/39 c	13/55	-3/27 sh

Oceania

Auckland	16/61	11/52 pc	16/61	10/50 sh
Sydney	22/71	9/48 r	17/62	9/48 pc

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THE AMERICAS

Jones Wins a Vow of Aid From Conservative Group

She Also Hires New Lawyers for Clinton Suit

By John F. Harris
Washington Post Service

WASHINGTON — Declaring herself "excited about the future" and eager for a trial, Paula Corbin Jones has announced that she has hired a law firm in Dallas and accepted financial support from a conservative organization in Virginia to pursue her sexual harassment case against President Bill Clinton.

Ms. Jones, whose previous lawyers dropped out of the case after disagreeing with her over a settlement with the president, said Wednesday that her new attorneys would concentrate on getting the case into the courtroom rather than a settlement.

"I have all the faith they'll give me a jury trial. I've been waiting a long time," Ms. Jones said at the home of her spokeswoman and adviser, Susan Carpenter-McMillan, in San Marino, California.

Ms. Carpenter-McMillan said that the Rutherford Institute, a group in Charlottesville, Virginia, that has come to the aid of fundamentalist Christians in various legal controversies, would help Ms. Jones with the case.

John Whitehead, the group's founder and president, said by telephone that the organization was dedicated to helping people whose religious liberties or human rights have been violated. Ms. Jones, he said, met his criteria.

"The right of a woman to be free from sexual harassment is a basic human rights issue," he said.

He added that his group expected to raise $100,000 or more for Ms. Jones, although the money will go for expenses and not legal fees. Mr. Whitehead said he recommended the Dallas law firm of Rader, Cambell, Fisher & Pyke, which has represented conservatives in anti-abortion cases and other causes.

Neither Ms. Jones nor Ms. Carpenter-McMillan would answer questions about their financial arrangements with the law firm — whether, for example, the lawyers are taking the case on a contingency basis or having their fees paid by outside parties.

Mr. Clinton's supporters have claimed that conservative activists were sponsoring Ms. Jones's case to attack the president.

Ms. Jones has charged that Mr. Clinton, while he was governor of Arkansas in 1991, invited her to a Little Rock hotel suite, dropped his trousers and requested oral sex. Mr. Clinton's attorneys have denied this. Numerous settlement talks have failed, and the case is scheduled to go to trial in May.

At her news conference Wednesday, Ms. Jones's role was limited by Ms. Carpenter-McMillan, who fielded most questions. During her 30 minutes before cameras, Ms. Jones smiled and rocked on her heels, but did not speak unless Ms. Carpenter-McMillan motioned her toward the microphones.

Hal Gieb/Reuters

Paula Corbin Jones announcing that she has hired a new legal team.

Ms. Jones's previous attorneys, Joseph Cammarata and Gilbert Davis, have asserted that they hold a lien for $800,000 for their fees and would seek compensation if Ms. Jones wins anything from the president.

A settlement remains possible, even as depositions go forward over the next three months. Ms. Carpenter-McMillan said that the new lawyers would handle litigation, but that work on a potential settlement — and the wording of any kind of statement or apology from Mr. Clinton — would remain the purview of William McMillan, her husband.

FBI Says Russian Gangs Replace Moscow as Big Nuclear Threat to U.S.

By Douglas Farah
Washington Post Service

WASHINGTON — The director of the FBI, Louis Freeh, has warned that Russian organized crime networks pose a menace to U.S. national security and has asserted that there is now greater danger of a nuclear attack by some outlaw group than there was by the Soviet Union during the Cold War.

Testifying before the House Committee on International Relations, Mr. Freeh said that about 30 Russian crime syndicates were operating in the United States, trafficking in drugs, prostitution, fraud schemes and other activities.

"The size of this problem is really immense," Mr. Freeh said Wednesday, and it requires immediate attention. "We have identified organized crime organizations not just from Russia and Eastern Europe, but from Asia, from Africa, from many other parts of the world, which are beginning to operate very effectively and very dangerously in the United States."

Mr. Freeh said also that U.S. law enforcement agencies took "very seriously" the possibility that nuclear weapons could fall into the hands of Russian criminal gangs and added, "We have to take drastic steps to prevent and detect that."

Asked if he believed the United States was under a greater threat "from nuclear detonation now than at the height of the Cold War," Mr. Freeh answered: "If you describe that detonation as a criminal or terrorist or rogue operation, I think the answer would be yes."

Mr. Freeh said the Russian syndicates conducted the most sophisticated criminal operations ever seen in the United States, based on their access to expertise in computer technology, encryption techniques and money-laundering facilities that process hundreds of millions of dollars.

Part of that expertise, Mr. Freeh said, is provided by "former KGB officers working directly with some of those organized crime groups, and that poses an additional level of threat and sophistication."

At the same hearing, a senior Italian police official outlined growing ties between the traditional Sicilian Mafia and Russian organized crime groups whose influence is spreading throughout Europe. Giovanni de Gennaro, Italy's deputy director for public security, said the Russian groups, acting in concert with the Mafia, were buying vast amounts of real estate in Italy and pouring millions of dollars into Italian banks.

POLITICAL NOTES

Democrats' Shift Of Funds Probed

WASHINGTON — The Justice Department is investigating the Democratic Party's transfer of campaign donations to state parties during the last election, but the department decided last fall that an independent counsel was not needed in the case, Justice officials said Thursday.

The Democratic National Committee transferred at least $32 million to state Democratic parties in the 1996 election so the state organizations could pay for advertising campaigns on issues and generic party ads.

Investigators are examining these "issue" ads to see if they amounted to veiled ads for President Bill Clinton and Vice President Al Gore.

Mr. Clinton said Thursday the practice was strictly legal — and done by Republicans, too.

The issue was raised by Common Cause, the citizens' lobby. *(AP)*

Clinton Set to Use Veto Knife on Pork

WASHINGTON — The administration has signaled to lawmakers that it intends to make liberal use of its line-item veto authority and potentially could strike hundreds of "pork-barrel" projects from 1998 spending bills — beginning next week with the legislation that funds military construction.

President Bill Clinton signed the $9.2 billion military construction bill on Tuesday, the first of 13 spending bills that must be completed before Congress adjourns for the year. But he has until Monday to invoke the line-item veto, which allows him to strike individual programs he disagrees with while leaving the rest of the bill intact. *(WP)*

Quote/Unquote

Michael Dolan, the acting commissioner of the Internal Revenue Service, on the mistreatment of taxpayers by the IRS: "The secret for the next few weeks is to act upon and treat seriously those things that were said but not let the entire organization be unfairly besmirched or shaken at the core from doing the kinds of jobs it has been doing." *(WP)*

Away From Politics

- **Governor Pete Wilson** of California declared a state of emergency in Yuba County, opening the door to federal assistance for residents and business owners who have suffered fire losses. *(AP)*
- **A bank robber who gunned** down a businessman while fleeing a holdup in 1988 was executed by injection in Huntsville, Texas. The execution of Dwight Adanandus, 41, was the 30th this year in Texas, a state record. *(AP)*
- **The highest-ranking** enlisted man, Gene McKinney, the sergeant major of the army, came a step closer to a court-martial after a reviewing officer concurred with a recommendation that he be tried for sexual misconduct, officials said. *(NYT)*

Candidate for Air Force Post Was Grounded in '91

By Bradley Graham
Washington Post Service

WASHINGTON — The Florida state legislator in line to become the next secretary of the air force was compelled to stop flying fighter jets in 1991 as a reservist after his commander expressed concern that he was compromising safety regulations.

Daryl Jones reluctantly agreed to stay out of the cockpit and take a support job rather than face a formal move to ground him, according to accounts by him and his former superiors.

His uneven performance in the air stirred complaints at the time among some squadron members, and a series of mishaps finally prompted warnings from his commander that he was becoming a risk to himself and others.

Senior White House and Defense Department officials who signed off on Mr. Jones's expected nomination as secretary said they had been unaware of the episode until asked about it by a reporter.

But after looking into the episode, Pentagon officials reaffirmed their support for Mr. Jones. "He has an outstanding record as an air force reservist," said Rudy de Leon, the Defense Department's personnel director.

Search for Compromise on Tobacco Plan Gets Bipartisan Push

By Peter Baker
Washington Post Service

WASHINGTON — After days of squabbling on other topics, President Bill Clinton and the speaker of the House of Representatives, Newt Gingrich, have put aside their differences and agreed to establish an informal joint working group to craft a bipartisan compromise on tobacco legislation.

In teaming up, Mr. Clinton and Mr. Gingrich hope to replicate the process that broke years of partisan gridlock and produced this year's landmark balanced-budget legislation, officials said. Such a renewed collaboration, should it last, could augur well for the prospect that a tobacco settlement will eventually emerge from Congress.

"There's a broad consensus that we want to make sure that children don't smoke," Mr. Gingrich said Wednesday after a meeting at the White House with Mr. Clinton and 18 congressional leaders. "There's a broad consensus that we want to find a way to pass legislation sometime early next year." But many serious obstacles remain, as the meeting itself demonstrated.

For all the optimistic talk, participants did not resolve major differences over the substance of the proposed settlement, let alone the timing for consideration or even whether it should be advanced as a single package or in pieces.

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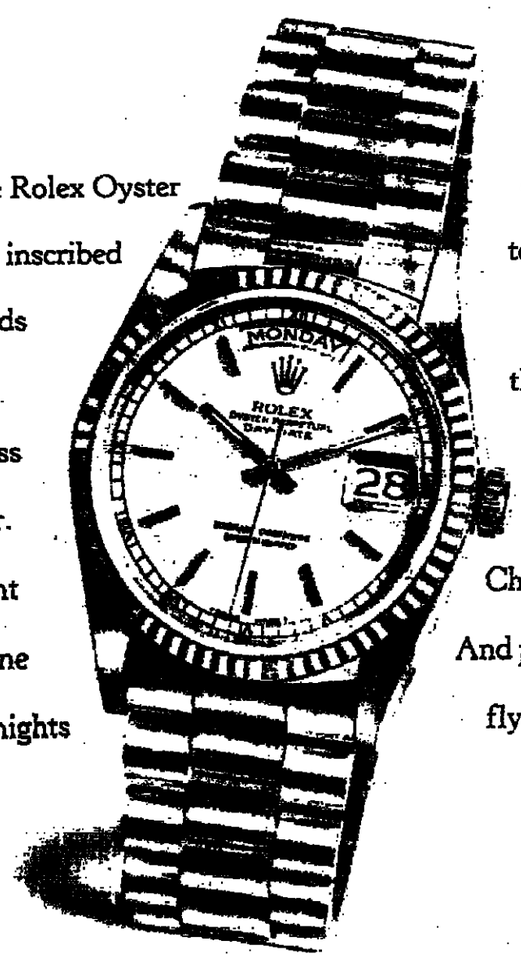
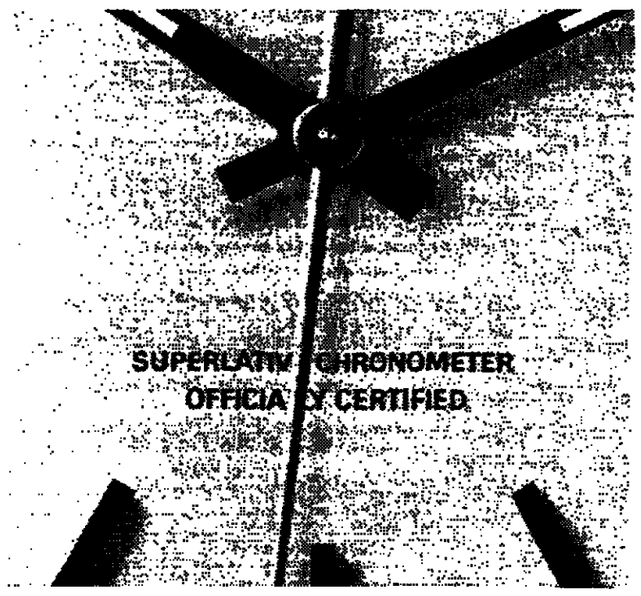


Every single Rolex Oyster whose dial is inscribed with the words opposite is a genuine Swiss chronometer. Its movement has undergone 15 days and nights of merciless testing at the hands of the Contrôle Officiel Suisse des Chronomètres. And passed with flying colours.



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Kashmir Foes Move to Avert Clashes

Prime Ministers Use Hot Line for 'Cordial' Exchange on Crisis

Compiled by Our Staff From Dispatches

NEW DELHI — The prime ministers of India and Pakistan have talked over a new hot line to try to end border clashes that have killed at least 39 civilians this week, officials on both sides said Thursday.

Inder Kumar Gujral of India spoke with Nawaz Sharif of Pakistan late Wednesday "to review the situation" in the disputed northern territory of Kashmir, said Tariq Altaf, a spokesman for the Pakistani Foreign Ministry.

"The conversation was cordial," an Indian Foreign Ministry said in a statement on Thursday. The statement said Mr. Gujral had repeated his "deep concern" at the continuing exchange of fire "and the loss of civilian lives."

Artillery battles intensified across the Himalayan frontier on Tuesday morning. India said 18 civilians had been killed and 30 wounded in the border town of Kargil on Tuesday, and a girl was reported killed Wednesday. Pakistan said seven of its civilians had been killed by Indian shelling on Tuesday and 13 on Wednesday. Pakistan said more than 30 civilians had been wounded over the two days.

Officials on both sides of the tense border said no incidents had been reported overnight Wednesday or Thursday morning.

The two countries exchange gunfire frequently, with United Nations observers reporting thousands of incidents every year. But the intensity of the exchanges this week was unusual and unexpected.

Each side blamed the other for starting the recent fighting. Pakistan summoned India's ambassador in Islamabad to hear a formal complaint Thursday, matching India's protest to the Pakistani envoy in New Delhi a day earlier.

The Pioneer, an Indian daily, said in an editorial that Pakistan's shelling of Kargil on Tuesday was "tantamount to an act of war."

"India cannot allow outrages like the one in Kargil to go unanswered," the Indian Express wrote.

In Pakistan, The News wrote: "There is a limit to how much constant bullying and blackmail Pakistan can put up with."

The News said the firing underscored Indian stubbornness over Kashmir, adding, "Pakistan can hardly afford to let India set the rules of negotiation."

Mr. Altaf, the Pakistani spokesman, warned India that targeting civilians could swing public opinion against "the government's policy for constructive dialogue with India."

The shelling has resulted in one of the worst peacetime civilian tolls ever and has dampened hopes of progress in talks between the two countries, which were revived earlier this year following a three-year interruption. The two leaders set up their hot line after their first summit meeting in May.

Mr. Altaf warned that future talks could be in danger after the latest clashes and called on both countries to "do their utmost to maintain a climate of undisturbed peace."

India and Pakistan have fought three wars since they became independent of Britain in 1947. Two of the wars were fought over Kashmir, which each country claims as its own. Kashmir was divided in the first war, with roughly two-thirds in Indian hands.

India has accused Pakistan of arming and training Muslim rebels in Kashmir, a charge Islamabad denies.

In an earlier skirmish that began in August and continued into early September, at least two dozen people were killed on either side of the 720-kilometer (450-mile) military control line in Kashmir. The recent fighting flared just a week after Mr. Gujral and Mr. Sharif met for breakfast while attending the UN General Assembly meeting in New York. They pledged to quell the tension along the border and strengthen communications between front-line commanders.

While activity on the border is usually unpredictable, there were several theories for the latest escalation.

The Pioneer speculated that Pakistan decided to heat up the cease-fire line after the United States made it clear that it would not intervene in the conflict.

"It is a display of pique at having been told by President Clinton that matters such as Kashmir are best settled in a bilateral manner," the editorial said.

The paper also speculated that the shelling could be cover fire for moving more militants across the line of control, as the border is formally called, before autumn snows block access routes.

Pakistan, meanwhile, saw "a pattern of incidents" which have occurred since the resumption of dialogue as an Indian plot to undermine the talks, Mr. Altaf said.

Reports that India had moved its short-range Prithvi missiles close to the border caused an uproar in Pakistan earlier this year. *(AP, Reuters)*

John Moore/The Associated Press

A Kashmiri boy waiting for prayers to finish at a funeral Thursday for a civilian killed during a border clash.

Sri Lanka Drafts Power-Sharing Pact

Agence France-Presse

COLOMBO — Sri Lanka on Thursday unveiled details of a power-sharing formula aimed at ending the country's long ethnic war.

Justice Minister G.L. Peiris said the cabinet had finalized plans to grant greater autonomy in a regional council to the minority Muslim and Tamil communities in exchange for ethnic peace.

And he repeated that the government remained eager to start talks with the separatist Liberation Tigers of Tamil Eelam, who launched a fierce assault on security forces in northern Sri Lanka on Tuesday.

Brigadier Sarath Munasinghe, a Defense Ministry spokesman, said 37 soldiers were killed and another 100 were wounded in fierce clashes near the rebel-held town of Puliyankulam. He estimated Tamil Tiger casualties at 69 killed and many more wounded.

At the core of the power-sharing formula is a Tamil demand for a union between the Tamil-dominated northern provinces and the multiethnic eastern provinces. Sri Lanka's Sinhalese majority opposes the plan; it is backed by the influential Buddhist clergy, who have already staged public protests against the peace plan.

Mr. Peiris said the government had agreed to hold a referendum in the multiethnic east to allow people to decide if they wanted to unite with the north. He said that the proposal takes into consideration for the first time a council for Sri Lanka's second-largest minority, the Muslim community.

Members of the Sinhalese community who live in the eastern district of Ampara will have the right to go their own way if Tamils and Muslims press for separate councils.

The government proposals, however, are subject to change because they must be first accepted by an all-party panel, the Parliamentary Select Committee, or PSC, which is charged with drafting a new constitution.

"As far as we are concerned, the cabinet has agreed on the unit of devolution and I will present it to the PSC on Oct. 8," Mr. Peiris said, adding that he hoped the committee would produce a final document before Nov. 5.

"In the early months of next year we will be able to have the new constitution in place," Mr. Peiris said.

Hong Kong Flag Trouble

Reuters

HONG KONG — The police arrested three youths Thursday for desecrating the Chinese flag a day after China's National Day, a police representative said.

The three youths, all of whom were 15 or 16 years old, were charged with criminal damage for destroying a flag near a village on Lantao, an outlying island, the police said. The police also were looking for five or six foreigners who were thought to have torn down 12 Chinese flags, also on Lantao, she said. It is illegal to "publicly or willfully burn, mutilate, scrawl on, defile or trample on" China's red flag or Hong Kong's post-colonial flag and emblems depicting the bauhinia flower.

Those found guilty of desecrating either flag can be jailed for three years and fined 50,000 Hong Kong dollars ($6,500).

Flags adorned footbridges and roadsides in Hong Kong this week to mark the 48th anniversary of the founding of Communist China.

BRIEFLY

Taleban Rejects Truce in City

KABUL — A senior Taleban official rejected Thursday a UN call for a temporary cease-fire to evacuate staff from the besieged northern Afghan city of Mazar-i-Sharif, but said the group would assist in an evacuation.

The Islamic movement has been besieging the city, the last major one held by the opposition, for more than three weeks.

"We are ready to cooperate with the United Nations to evacuate their staff from Mazar, by any overland route or by air, but there is no need for a cease-fire for that," a Taleban spokesman said. "We do not believe that a temporary cease-fire would help to bring peace in Afghanistan."

He said the Taleban was also ready to help civilians to leave the city. *(Reuters)*

Ramos Meets Church Leaders

MANILA — President Fidel Ramos met Roman Catholic bishops Thursday in a continuing attempt to bridge differences with church leaders who led a massive rally Sept. 21 ago against a campaign to extend his term.

In a five-hour meeting that included Mr. Ramos, several cabinet members and leaders of the Catholic Bishops Conference of the Philippines, the participants agreed to hold future talks at the national and local levels to prevent friction.

"The meeting resulted in a very fruitful presentation and exchange of views about critical issues," a joint communiqué said.

On Wednesday, Mr. Ramos gave a dinner for two of the organizers of the rally: former President Corazon Aquino and the archbishop of Manila, Cardinal Jaime Sin.

The dinner represented an attempt at reconciliation for three of the country's most influential figures in the wake of a stormy rift over proposals to amend the constitution to allow presidents a second term. *(AP)*

North Korea Political Prisoners

SEOUL — South Korea said Thursday that the North at one time had more than 200,000 political prisoners in camps where conditions were so dire that many froze or starved to death.

The South's National Unification Ministry, in a report based mostly on testimony up to 1989 from North Korean defectors, told the National Assembly that public executions and death through torture occurred in about 10 of the camps.

A researcher at the ministry said conditions in the camps now could be much worse than the report says because of the famine that has ravaged the North.

"The camps have no electricity or heating facilities, and many people die from the cold or starve to death," the report said. "Those who attempt escape are executed immediately." *(Reuters)*

Bangladesh Tracks Elephants

CHITTAGONG, Bangladesh — Police, forest guards and villagers began a major campaign in southeast Bangladesh on Thursday to drive away wild elephants that have killed at least 20 people in recent months.

They fired gunshots in the air, exploded firecrackers, beat drums and lit bonfires to scare off a herd of 14 elephants that had stormed a village close to Chittagong early Thursday, the police said.

Police said wild elephants had killed at least 20 villagers in the last four months, injured scores more and damaged houses and crops.

14 Executed in China for Crimes

BEIJING — Authorities in the restive northwestern province of Xinjiang have executed 14 people for economic crimes, armed robbery and drug-related offenses, state-run media reported.

The 14 executions took place last Friday following a public rally in the regional capital, Urumqi, the newspaper Xinjiang Daily said in a report.

It said Zhao Jianxin, a 30-year-old clerk at a Bank of China branch in Urumqi, was executed for embezzling more than 3.28 million yuan ($395,000) in public funds. It also said Zhu Hui, a 24-year-old Urumqi man convicted of armed robbery, was killed.

The 12 others were executed for using or trafficking in illegal drugs, the report said. *(AP)*

Nationalist Group in India Asssails Foreign Companies

Reuters

NEW DELHI — Members of a hard-line nationalist organization held a rally here Thursday, attacking foreign multinational companies and demanding curbs on the use of English.

The group, the National Volunteers Organization, also demanded that India deport illegal immigrants from Bangladesh.

"World over, wherever the multinational companies have succeeded in entrenching themselves, they have poked their nose in the economy and the policies of those countries," the group's chief, Rajendra Singh, told the estimated 100,000 people at the rally. It was held to mark India's 50th anniversary of independence in August.

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ASIA: *Smog Blotting Out Many Economies, Too*

Continued from Page 1

given the other problems the economies in the region have been facing recently," Andy Tan, regional economist with MMS Standard & Poor's, told Reuters. "I think if you were to look at the direct impact on the economies, then the hit might not be that bad. But you've got to ask what message this conveys to the international community."

Already, according to fund managers, many billions of investment dollars have been withdrawn or diverted from Southeast Asian stock markets since faltering growth and excessive property lending forced Thailand to devalue the baht on July 2, triggering a chain reaction of instability in other regional currencies and shares.

Bruce Gale, regional manager of Political and Economic Risk Consultancy, said that the haze might not prompt existing investors in Southeast Asia to pull out, but could cause new investors to reconsider their plans.

"This is bad for Asia, particularly as inward investment is desperately needed now," he said.

The haze is reported to have contributed to Indonesia's worst air disaster, on Friday, when an Airbus pasenger jet belonging to the national airline, Garuda, crashed while trying to land in poor visibility near Medan, on the island of Sumatra, killing all 234 passengers and crew.

The haze has also been blamed for a recent collision between two cargo ships, resulting in the loss of 29 seamen, in the busy Strait of Malacca, the main sea lane connecting the Indian and Pacific oceans.

Traders said that the fires in Indonesia, to clear forest land for development in drought conditions, were a threat to the country's cocoa crop because buyers, mostly from the United States, would reject smoke-affected beans.

Drought in Indonesia, Malaysia and the Philippines is likely to cause substantial reductions in other important crops, including rice, corn and coffee, officials said.

Singapore's labor ministry said that all outdoor work, except emergency and essential services, should stop if the official pollution index reached 400. At one point Thursday evening it was 175.

The ministry said that if the index reached 300, something it has not yet done, all outdoor workers should use respirators, which employers must provide.

Malaysia, especially the state of Sarawak on the island of Borneo, has been worst hit by the pollution. Sarawak was virtually closed for 10 days last month as smoke from burning forests in neighboring Indonesian Kalimantan reduced visibility to arm's length in Kuching, the capital.

Visitor bookings in Sarawak are about half of their expected level for this time of year, hoteliers say.

"As far as 1997 is concerned, business is going to be very bad," said Michael Hawkins, general manager of the Borneo Adventure travel firm in Kuching.

■ **Changed Winds Due**

Changing winds will clear the smog covering much of Southeast Asia, the head of the Indonesian meteorological service predicted Thursday, but there is no end in sight to the country's forest fires, Agence France-Presse reported from Jakarta.

The head of the Indonesian meteorology office, Sri Diharto, said that a change in the wind pattern had been detected "and this will soon take the smoke away from our neighbors."

The new wind was pushing smoke toward the Indian Ocean, away from Malaysia and Singapore.

PILOT: *Death of an 'Ambassador of Goodwill'*

Continued from Page 1

On his first postwar visit to Brookings in 1962, Mr. Fujita carried with him a 400-year-old samurai sword that had been handed down in his family from generation to generation.

He presented the sword, which he had carried with him throughout the war, to the city of Brookings as a symbol of his regret, and it now hangs in the local library.

Mr. Fujita's daughter, Yoriko Asakura, said Thursday that there was a bit more to the story. She recalled that her father had been very anxious before the visit, fretting about whether Oregonians would be angry at him for the bombing, and so he had decided to carry the sword so that if necessary he could appease their fury by committing ritual suicide by disemboweling himself with the sword in the traditional Japanese method known as *sepuku*.

"He thought perhaps people would still be angry and would throw eggs at him," Mrs. Asakura recalled. "And if that happened, as a Japanese, he wanted to take responsibility for what he had done" by committing sepuku.

Mr. Fujita's grandson, Fumihiro Asakura, said that his grandfather had been deeply moved by the hospitality the people of Brookings had shown him, showering him with affection and respect that he felt he did not deserve.

Brookings is a remote town of 5,400 on the southern Oregon coast, focused on logging and farming, but it now has an excellent selection of books about Japan in its local library.

"He gave $1,000 to the library to purchase books about Japan for children, so that there wouldn't be another war between the United States and Japan," Nancy Brendlinger, the mayor of Brookings, said by telephone.

"He was always very humble and always promoting the idea of peace between the United States and Japan."

Local churches and businesses in Brookings contributed $3,000 to pay for Mr. Fujita's trip to Oregon in 1962; he responded by paying for several local people to visit Japan.

He also made three more visits to Brookings over the years, planting trees to mark the spot where he had dropped the bombs and participating in a 1994 ceremony to dedicate a state historical marker near the site.

In the war, Japan bombed Hawaii and some islands off of Alaska. But the air raids on Oregon were the only attacks by Japanese airplanes on what were states at that time.

A submarine carrying a crew of about 100 and a small plane with folded wings slipped across the Pacific to the unprotected waters off the Oregon coast.

In the pre-dawn darkness of Sept. 9, 1942, the crew assembled the plane and shot it into the air with a catapult, and Mr. Fujita oriented himself with the Cape Bianco lighthouse and flew over the coastal range, dropping two 76-kilogram (168-pound) bombs over the forests in the hope of setting terrible forest fires.

Mr. Fujita's plane had been spotted from the ground, but no one had more than a deer rifle to shoot at it with. He flew back to the submarine — and was horrified to discover it was not there. He feared that it had been discovered and forced to leave him behind, but he eventually found it and landed in the water on the plane's floats. The submarine's crew members quickly stowed the plane and dived to 76 meters (250 feet), while the U.S. Navy searched frantically for them.

Three weeks later, Mr. Fujita flew an almost identical mission and dropped two more bombs. None of the bombings, on either mission, caused much of a fire, but they did provoke alarm up and down the coast.

Although Mr. Fujita's were the only air raids on the American mainland, Japan did release thousands of balloons carrying bombs.

The winds carried the balloons across the ocean to the western United States, where they landed and set small fires. The only fatalities were a group of people on a church outing in Oregon and perhaps a woman in Montana.

Mr. Fujita's air raid was regarded in Japan as heroic. The main front-page story in the Asahi newspaper's evening edition on Sept. 17, 1942, carried the headline: "Incendiary bomb dropped on Oregon State.

"First air raid on mainland America. Big shock to Americans."

After the war, Mr. Fujita started a hardware store in the prefecture of Ibaraki, near Tokyo, but it eventually went bankrupt.

He later worked at a company making wire, and he rarely talked of the war or of his younger brother, who was killed in the fighting.

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The tender document will be available as of Wednesday 1/10/1997 from the Council for Development and Reconstruction, Tallet el Serail, Beirut, Lebanon. Candidates may obtain the document against payment of US$2,000 (Two thousand US dollars) by means of a certified banker's cheque drawn in favour of the Council for Development and Reconstruction. Bidders who purchased the tender document for the first invitation to tender will receive the new document free of charge.
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EUROPE

EU Signs New Charter To Bolster Cooperation

But Critics Quickly Assail Its Limitations

Compiled by Our Staff From Dispatches

AMSTERDAM — The European Union moved ahead Thursday with its grand plans for consolidation, signing a new charter that it called a milestone in uniting the Continent, while acknowledging the bloc's shortcomings in getting ready for 11 newcomers.

"Let us raise our ambitions," the prime minister of Luxembourg, Jean-Claude Juncker, said to the EU foreign ministers who signed the treaty.

He said the treaty, adopted at a summit meeting in June, was "insufficient" to reform the EU's arcane decision-making ways and so enable the group to comfortably absorb 10 eastern neighbors and Cyprus. Consequently, the Union is looking at another round of reform talks in two or three years before it lets in new members.

Poland, the Czech Republic, Hungary, Slovenia, Estonia and Cyprus lead the list of new members. Farther behind are Romania, Bulgaria, Lithuania, Latvia and Slovakia. The first newcomers are unlikely to join before 2004, perhaps even before 2003.

The new treaty lifts internal border controls, provides for closer police cooperation and uniform visa and asylum policies, except for Britain, Ireland and Denmark.

It also commits governments to joint employment strategies.

In addition, the treaty makes it harder for individual nations to block foreign policy decisions and creates a foreign policy planning unit at the EU head office.

To take effect, this latest version of the treaty must be ratified by the legislatures of the 15 EU nations, which will take years.

Jacques Santer, president of the European Commission, said in a speech at the Dutch Royal Palace that the new treaty represented progress, but he, too, expressed disappointment that the bloc had not agreed on more far-reaching changes at the June meeting.

"I don't hide the deficiencies, the weaknesses, the gaps," he said, adding, "But let's be honest: One must recognize that important progress has been made since the treaty of Maastricht, notably as far as the citizen is concerned."

Countering critics who have labeled the new treaty a weak compromise, the Dutch prime minister, Wim Kok, said it contained new provisions in the areas of health and the environment.

It also has prepared EU leaders for a jobs summit meeting in Luxembourg next month.

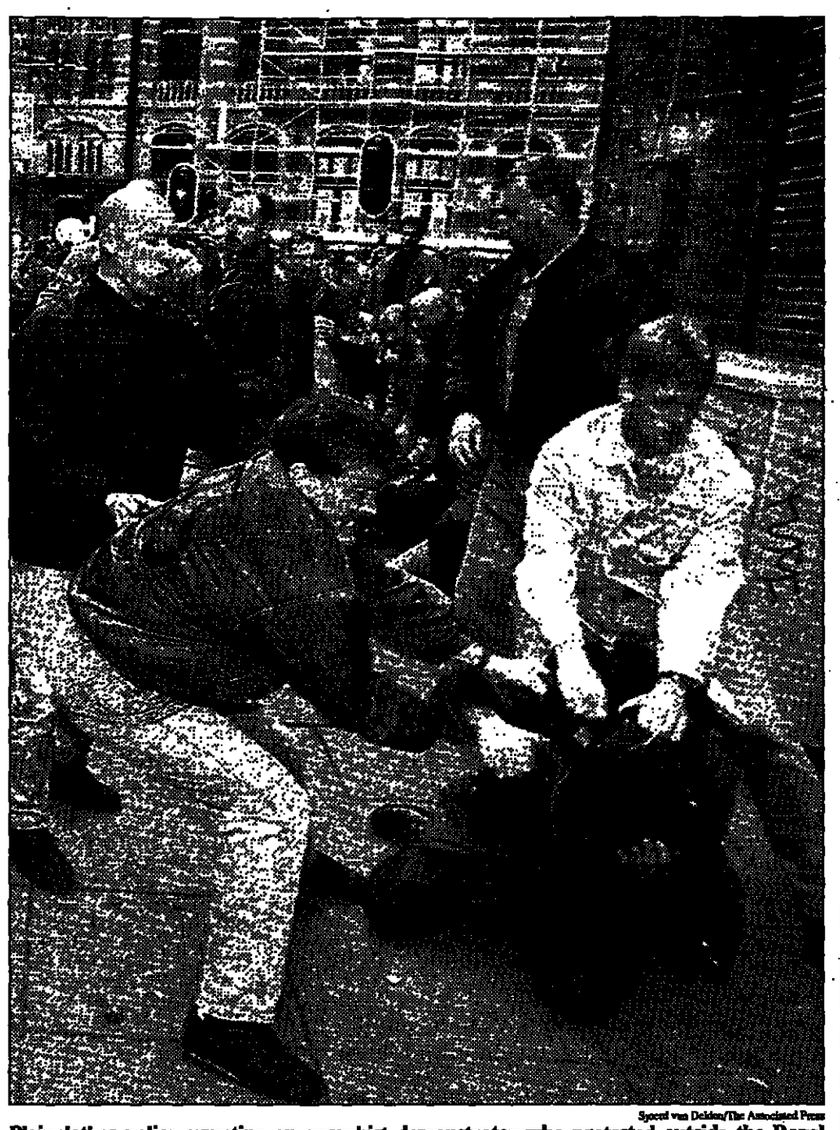
The treaty's proponents are already calling it a foundation document and acknowledging that further work is necessary.

"The treaty of Amsterdam will not be the last treaty on European cooperation," Mr. Kok said. "It provides a firm basis for the construction of a strong and enlarged Europe that can face the challenges of the 21st century."

As the document was signed in an ornate hall in the 17th century Royal Palace, the police clashed with about 100 anarchists on the Dam Square outside, arresting some and using horses to drive back others.

Fearful that enlargement may fall behind schedule, Belgium, France, Italy and the EU executive commission are pushing for new talks on reforming the union — by trimming the 20-member commission and reallocating votes to EU members at ministerial sessions.

Luxembourg took over the rotating presidency from the Dutch in the second half of this year, with a mission to sort out how to proceed with membership talks. *(AP, Reuters)*



Speed van Delden/The Associated Press

Plainclothes police arresting an anarchist demonstrator who protested outside the Royal Palace in Amsterdam as EU foreign ministers signed the latest version of the Union's charter.

Italian Party Seeks Shelving of Budget

Reuters

ROME — The leader of Italy's hard-left Refounded Communist Party said Thursday that the government's 1998 budget should be withdrawn.

The budget "is wrong and it must be set aside," said Fausto Bertinotti, head of the Refounded Communists, the far-left remnant of the former Communist Party. "Discussions should begin instead on giving answers to the problems we have posed."

The Refounded Communist Party, which secures Prime Minister Romano Prodi's majority in the Chamber of Deputies, has refused to back the budget. It is vehemently opposed to 5 trillion lire ($2.8 billion) of welfare and pensions cuts included in the package.

Mr. Bertinotti, who also says the budget does not do enough to increase jobs, dismissed an overture from a senior member of the main government party, the Party of the Democratic Left (formerly the mainstream Communists), for talks to try to break the deadlock.

Passing a deficit-cutting budget through the legislature is considered crucial to Italy's hopes of joining a European single currency in 1999.

The European Union commissioner in charge of monetary affairs, Yves-Thibault de Silguy, said in Brussels that it would be unthinkable for Italy to give up on European economic and monetary union after its efforts in achieving higher growth and lower inflation.

"The 1998 budget will be very decisive," he said.

Mr. Prodi called the situation, in which the position of the Refounded Communists threatens Italy's first leftist-dominated government since World War II, "the maddest crisis in the world."

He said some slight changes to the budget were possible but ruled out demands to rewrite it entirely.

Mr. Prodi was traveling to Chambery, France, on Thursday for talks with President Jacques Chirac and Prime Minister Lionel Jospin, but ministers said efforts to rescue the government were proceeding.

An Annoyed Yeltsin Cancels Visit by Belarus Leader

By Daniel Williams
Washington Post Service

MOSCOW — So much for Slavic unity. The Russian government kept the president of Belarus from visiting Russia on Thursday, the latest chapter in a series of squabbles between the neighboring states that only last April joined together in a loose union.

An aircraft carrying the Belarussian president, Alexander Lukashenko, was scheduled to fly to Yaroslavl Province on Thursday for celebration of a "Belarussian days" festival. Just hours before the trip, the government of president Boris Yeltsin refused to give the plane permission to enter Russian airspace.

In general, Mr. Lukashenko has irritated Mr. Yeltsin by re-establishing a police state in the former Soviet republic, dismissing Parliament and abusing human rights. In July, moreover, Mr. Lukashenko detained four television crew members working for Russian government TV on charges of illegally crossing into Belarus from Russian territory. One journalist remains jailed despite repeated calls from Mr. Yeltsin for his release.

Russia's union with Belarus underlined the revival of nationalism as an emerging ideology in Russia, but the marriage has been rocky from the start. Mr. Lukashenko had expected virtual integration of the two countries, but the lack of economic and political liberalization in Belarus frightened reformers in Mr. Yeltsin's government.

Reformist members of Mr. Yeltsin's government, notably the deputy prime minister, Anatoli Chubais, persuaded Mr. Yeltsin to limit the union to military, economic and social cooperation and to "strengthening brotherhood." Mr. Lukashenko's spokesman, Valeri Tolkachev, said opponents of the union have now used the case of the detained journalist as an excuse to make new trouble.

The Kremlin said that Mr. Lukashenko had waited too long to clear his Russian travel plans with Mr. Yeltsin. The Belarussians sent a telegram to Moscow only at 9:30 P.M. the night before, officials said. In a message delivered to Minsk at 1:30 A.M., Mr. Yeltsin responded that he would be happy to have Mr. Lukashenko visit — but only when the journalist, Pavel Sheremet, is released.

Mr. Lukashenko answered that he could not give into political pressure, but he nonetheless hoped that friendly relations would develop "irrespective of political games played by some Kremlin circles."

This was the second time that Mr. Lukashenko was snubbed by Russians on the eve of a planned visit. In August, he was scheduled to visit Kaliningrad, which borders Belarus, but without warning, the governor there urged him to cancel.

Besides unhappiness with Mr. Lukashenko, Mr. Yeltsin appears to be offended that regional governors have been inviting Mr. Lukashenko to Russia on their own. Mr. Yeltsin, himself on a provincial visit to Nizhny Novgorod on Thursday, said: "I am warning the governors about one thing. They are forbidden to invite heads of other states without the president's permission."

■ Yeltsin Hints at a Third Term

Eleven months after life-saving heart surgery, President Yeltsin dropped a tantalizing hint Thursday that he might consider running for a third term in the Kremlin despite an earlier flat denial, Reuters reported.

In Nizhny Novgorod, the 66-year-old president was asked if there was any chance he would run again in the year 2000.

To the surprise of assembled reporters, Mr. Yeltsin avoided repeating the negative line he took just a month ago and replied: "My friends and colleagues have forbidden me from talking about this. Why are you pushing me so early?"

Michael Jung/Agence France-Presse

Mr. Waigel, who found revenue to offset the tax cut.

Kohl's Allies Arrange Cut in Special Tax

By John Schmid
International Herald Tribune

FRANKFURT — Chancellor Helmut Kohl's coalition struck a deal Thursday to put money back into taxpayers' pockets by cutting an income tax surcharge imposed to keep the East German economy afloat.

It was a rare legislative breakthrough for Mr. Kohl, as his quarrelsome coalition united to deliver on its twice-broken pledge to reduce the nation's unpopular "solidarity" tax.

The agreement by the three-party alliance to cut the 7.5 percent surcharge by 2 percentage points next year quiets an issue that had repeatedly threatened to destabilize the coalition. It also allows Mr. Kohl to enter an election year with an uncommonly peaceful team.

Thanks to a series of last-minute concessions by the Finance Ministry, taxpayers next year stand to reap the benefits of the tax break, creating a modest economic stimulus in an election year.

As recently as a few days ago, Finance Minister Theo Waigel had insisted on using tax increases in other areas to cover the 7.1 billion Deutsche mark ($4 billion) the cut would cost.

With accusations of "accounting trickery," opposition leaders and economists attacked the agreement's politically painless mechanisms to finance the shortfall. In parliamentary debate Thursday, the opposition said the tax break would leave a financial burden that would have to be addressed after national elections in September next year, when Mr. Kohl seeks an unprecedented fifth term.

Bonn will offset some 5 billion DM through deferred repayments on debts inherited from the former East Germany, debts that Bonn took over after the 1990 unification. Mr. Waigel also earmarked further funding from privatization of state assets and real estate.

Skirting any meaningful structural reforms, the tax cut deal reinforces the view that Bonn instinctively disavows economic modernization, economists said.

"This solution is just a papering over the cracks," said Adolf Rosenstock, chief Germany economist in Frankfurt for Industrial Bank of Japan. "What we do not pay today we have to pay later."

Mr. Waigel, who said last month that chronic budget battles had made him weary of his job, is gambling that a stronger economy and lower unemployment next year will stoke tax revenue and help balance the books, economists said.

Mr. Waigel dismissed accusations that the measures offsetting the tax cut would push the deficit to more than 3 percent of national output, topping the limit allowed for German participation in the single European currency.

"With the reduction of the solidarity surcharge we are not deviating at all from our strict course of budget consolidation," he told Parliament.

The cut salvages at least part of the economic lift foreseen in the government's sweeping tax reform plan that was killed off by the opposition Social Democrats last week, Mr. Waigel said.

More than any other post-unification measure, the solidarity levy, which appears as a separate item on pay stubs, has become a grating monthly reminder of the cost of rebuilding Eastern Germany and grafting Western Germany's generous welfare state onto the East.

The tax has twice defied reduction efforts. It was introduced as a one-year measure in 1992, but by 1995 it was back. Mr. Kohl tried to cut it again last year but could not finance the shortfall.

Business leaders scoffed at the notion that the tax break will provide a meaningful economic stimulus. Hans-Joachim Hass of the German Industry Federation said it would allow the average family to buy an extra pizza each month.

BRIEFLY

Pope Cites Other Holocausts

ABOARD THE POPE'S PLANE — Pope John Paul II, en route to a four-day visit to Brazil, said Thursday that Jews were not the only people to have suffered a holocaust.

Asked about publication of a Vatican document condemning the slaughter of Jews in World War II, the pontiff said: "The holocaust was clear. We must not forget that there have been other holocausts in the world, and we must not forget these other holocausts."

The Pope has convened a symposium for the end of this month on Christians and anti-Semitism, which Jewish officials hope will lead to a church text on the Nazi extermination of the Jews.

On Tuesday, the Roman Catholic Church in France made its first public confession, more than 50 years after the event, that it failed to protest deportations of Jews to death camps.

"It's interesting to see that it's always the Catholic Church and the Pope who apologize while others remain silent," the pontiff said. "Maybe it's right that way," he added. *(AFP)*

Swiss Bank Won't Say It's Sorry

ZURICH — A big Swiss bank and the Bern government refused Thursday to apologize to a night watchman hounded from Switzerland after he revealed that the bank had shredded Nazi-era papers that might have helped track Jewish assets.

Union Bank of Switzerland said it regretted any troubles that the former night watchman, Christoph Meili, went through, but stopped short of formally apologizing. Mr. Meili had demanded an apology after prosecutors dropped an investigation into whether he had violated banking secrecy laws by blowing the whistle on document-shredding.

Mr. Meili, 29, received death threats after rescuing historical documents, including some from the 1930s and 1940s, from the bank's shredder in January and giving them to a Jewish group. The incident damaged Swiss banks' efforts to counter accusations that they were hoarding the wealth of Jews who were killed in the Holocaust.

"We regret any unpleasant consequences that have arisen for Mr. Meili as a result of the unintentional shredding of documents at UBS," said a bank spokeswoman, Gertrud Erismann.

Asked if this meant the bank was apologizing, the spokeswoman said: "You can interpret it as you like. I will not go further. We regret it." *(Reuters)*

Isolation Over, Labour Insists

BRIGHTON, England — The governing Labour Party boasted Thursday that it had ended British "isolationism" and invited France to join it in a new initiative to control Europe's arms trade.

"We've ended the isolationism of the Tory years," Foreign Secretary Robin Cook said at the party's annual conference. "We've rejoined the same planet as the rest of the world. And we've proved Britain can be a leading member of that world."

Labour ended 18 years of Conservative rule with a landslide victory in the May 1 general election, and an opinion poll published Thursday showed a big jump in the party's popularity. The poll in The Times showed Labour up 5 points to 59 percent and the Conservatives down 3 at 25 percent.

Mr. Cook has tightened the rules on arms export licenses to ensure that Britain, one of the world's four largest arms exporters, no longer sends weapons to repressive regimes. *(Reuters)*

Opposition Vows to Defy Milosevic

The Associated Press

BELGRADE — Defiant opponents of President Slobodan Milosevic of Yugoslavia announced Thursday that they would hold new demonstrations despite police clubbings and the arrests of dozens of protesters at rallies this week.

"The citizens of Belgrade cannot be intimidated," the Democratic Party of the dismissed mayor of Belgrade, Zoran Djindjic, said in a statement. "We will continue our protests as soon as Saturday, until the final victory."

With tensions high ahead of runoff elections Sunday for the presidency of Serbia, any opposition demonstration would probably be dispersed by riot police. Protests on Tuesday and Wednesday were broken up by club-swinging policemen, and dozens of people were arrested Wednesday.

The protests were generated by the dismissal of Mr. Djindjic, the first non-Communist mayor of Belgrade in 50 years. He was removed Tuesday after an allied party switched sides in the municipal assembly, voting with the Socialist Party of Mr. Milosevic and the ultranationalist Serbian Radical Party to replace him.

The tough police response to the protests signaled that Mr. Milosevic would not tolerate prolonged demonstrations of the kind last winter that forced him to recognize opposition election victories in Belgrade and other large cities.

"They clubbed me, kicked me, brought me down to the pavement and then handcuffed me," said Dragutin Rokvic, a journalist whose arm was broken.

The police also resorted to force Wednesday against thousands of ethnic Albanian students in Serbia's Kosovo Province. The Albanians, who represent about 90 percent of the population in Kosovo but only a minority in all of Yugoslavia, were demanding the right to an Albanian-language education.

The use of police force drew a joint protest from the United States and the European Union. Calling the police action "unacceptable," their statement urged the government of Serbia to "fully respect the rights of citizens to assemble peaceably."

Mr. Djindjic was the most popular figure of the huge protests last winter against Mr. Milosevic, who was then president of Serbia. But Mr. Milosevic managed to oust Mr. Djindjic after persuading his former pro-democracy ally, Vuk Draskovic, to turn against him.

■ Moscow Assails Raid in Bosnia

Moscow criticized NATO peacekeeping troops Thursday for using excessive force in a raid Wednesday on television transmitters held by Serbian nationalists in Bosnia-Herzegovina, Reuters reported from Moscow.

Several hundred NATO soldiers, including Russians, seized four television transmitters in the Serb Republic of Bosnia.

Western officials said that NATO had repeatedly warned the Bosnian Serbs to end propaganda broadcasts and that the station had broadcast doctored material from the UN war-crimes tribunal.

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Herald International Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Not All Boats Are Rising

At first glance, the latest figures on Americans' incomes seem to hold mostly good news. For the second straight year, median household incomes went up — by 1.2 percent in 1996. Women working full time earned 2.4 percent more in 1996 than the previous year, narrowing the gap with men (though they still earned only 74 percent as much). Hispanic households did particularly well, gaining 5.8 percent in median income.

But a second look gives ground for concern. The United States is six years into an economic expansion, with low inflation, low unemployment and a famously soaring stock market. Yet the benefits of economic growth are not filtering down as much as might be expected. Median household income remains lower than in 1989, before the last recession. The number of poor people in the United States did not diminish in 1996 from the previous year, the poverty rate is still higher than *in 1989 and the number of those considered very poor* — earning less than one-half the poverty threshold — actually increased. Wages for men working full time declined in 1996 by 0.9 percent from the previous year.

Beneath these disappointing statistics is a trend of increasing inequality. During the past three decades, the top one-fifth of American households has seen its income grow by 49 percent, while the bottom fifth grew by only 22 percent. As a result, that top fifth now earns nearly half of all income. The current expansion hasn't reversed this long-term trend. Last year the poorest fifth of families saw their income decline by $210, while the richest 5 percent gained an average of $6,440 (not even counting their capital gains).

Explaining this widening gap is harder than describing it. As the economist Paul Krugman and others have pointed out, differences have opened up not only between groups — college-educated vs. high school graduates, for example — but also within them; the richest lawyers have widened their lead over the poorest, for example. Among the causes cited by economists are globalization, which forces unskilled U.S. workers to compete with unskilled workers in poorer countries; technological change, which rewards higher education and may allow those with special skills to market them across a wider area, and declining rates of unionization. But no one can claim to fully understand the phenomenon.

Not everyone sees widening inequality as a problem, either. To some extent, it reflects the dynamism of the U.S. economy. Income inequality is wider in the United States than in any other *industrialized nation, but the U.S. econ*omy also has been growing faster than most. There may be some connection. All these statistics can be sliced and diced in different ways, some of which somewhat moderate the inequality, and it's also true that America remains a mobile society, where many people who were in the bottom fifth 10 years ago are no longer there today. But no matter how you draw and quarter the numbers, the overall picture of a widening gap doesn't change; and it seems to us that most Americans aren't likely to be comfortable with an economy that leaves one sector further and further behind. It's not a recipe for future steady growth, nor for a healthy society.

— THE WASHINGTON POST.

Nigeria's Desperate Regime

The Nigerian government's Rambo-like assault on a farewell party for the American ambassador last month, when heavily armed police burst into the room threatening to shoot the speakers, was just the latest in a string of bizarre acts by an increasingly desperate regime. The televised speech by Nigeria's dictator, Sani Abacha, on the country's independence day on Wednesday offered further evidence of his personal and political weakness. General Abacha's problems provide Washington with the opportunity to have an unusual impact with a modest sanctions bill now in Congress.

In statements that reveal their own cynicism and corruption, Nigerian officials assert that criticism of the nation's human rights abuses by Walter Carrington, the American ambassador, is actually a ploy to get Nigeria to bribe him into silence. Earlier this year, officials said they wanted to question Mr. Carrington and other embassy staff members about several bombings. The government has already charged more than a dozen prominent dissidents, including the Nobel Prize-winning novelist Wole Soyinka, with treason for supposed complicity in the bombings.

These are acts of a government in trouble. So is General Abacha's statement Wednesday that "we have enhanced in no small measure our international image" through new friendships with such countries as Libya and North Korea.

General Abacha is floundering. Some in the military are talking about a coup. He is losing support in his traditional base, the north, which has suffered more than other regions from gasoline shortages. There is no better proof of his regime's corruption and mismanagement than the fact that Nigeria, one of the world's largest oil producers, cannot keep its cars running because it has failed to maintain its refineries. General Abacha is also reported to be ill with cirrhosis of the liver and possibly cancer.

Many Nigerians were hoping he would announce changes in Wednesday's speech, at the very least a release of political prisoners. He did not, and did not say whether he would be a candidate in the elections next year. He has set up a sham process, with five invented political parties, all clamoring for him to be their candidate.

Washington should take advantage of General Abacha's fragile state. Rather than waiting for other countries to join in sanctions, Congress should act now. It could pass a bill sponsored by Representative Donald Payne, which garnered 95 co-sponsors in the last session, that would bar new U.S. investment. The ban would also be useful in the event of General Abacha's death. The United States could promise to resume investment if a new government released political prisoners, permitted dissent and held real elections.

— THE NEW YORK TIMES.

Assault Weapons

The Bureau of Alcohol, Tobacco and Firearms should not have granted permission to a munitions manufacturer owned by the Israeli government to sell two types of semiautomatic weapons, the Uzi American and the Galil Sporter, in the United States. The prospective sales appear to violate the law and in any case are dangerous to public safety. With police and policymakers struggling to keep assault weapons off the streets, it would be senseless to allow more to come in from abroad.

The 1968 Gun Control Act, which should be the governing statute here, allows only the import of guns that are suitable for, or readily adaptable to, sporting purposes. Although the ATF did not think to invoke the act in this case, it has in the past interpreted "sporting purposes" to mean traditional sports such as hunting, target shooting and skeet shooting. The two Israeli weapons, created by Israel Military Industries Ltd., are modified versions of weapons designed for and used by the Israeli military. They are clearly not intended for hunting or target shooting.

The plain language of the 1968 act would prohibit these imports, yet the ATF appears to be relying instead on standards in the 1994 assault weapons ban to approve them. The 1994 law banned the domestic manufacture, sale and possession of 19 kinds of assault weapons and barred the manufacture and sale of other semiautomatics with certain military characteristics such as bayonet mounts, grenade launchers and flash suppressors. Since the two Israeli guns, as modified from the military versions, do not have a requisite number of the banned characteristics, they were approved by the ATF. Indeed the two guns could be legally manufactured in America, which is testimony to how lax the standards are under the 1994 law.

Even so, there is no indication that Congress intended to override the tougher import test under the 1968 law when it passed the 1994 act. Thirty senators have urged President Bill Clinton to use his executive authority to suspend the import permits. He should do so before the Israeli manufacturer begins shipping thousands of guns to America in the next few months.

— THE NEW YORK TIMES.

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If Algeria Won't Stop the Killing, UN Must Step In

By Flora Lewis

PARIS — At long last, international concern is stirring at the atrocities committed day after day in Algeria. Just this week, 11 schoolteachers had their throats slit in front of their horrified pupils and a baby was beheaded, along with many other barbaric murders.

Mary Robinson, outgoing president of Ireland and now UN High Commissioner for Human Rights, had a run-in with the Algerian foreign minister in New York.

She told him that "human rights cannot be contained within frontiers." He issued a statement saying her protest was "inadmissible" and violated his country's "sovereign right" to refuse "foreign interference in its internal affairs."

Carol Bellamy, director of Unicef, called for a high-level UN official to investigate the killing of Algerian children. The Médecins du Monde (Doctors of the World) organization took out full-page ads in leading international newspapers addressed to UN Secretary-General Kofi Annan. They said, "In the name of the mandate the peoples of the world have entrusted to *you, we call on you to take immediate* action to protect life in Algeria."

It is Mr. Annan's right, indeed his duty, to present the situation for formal consideration by the Security Council. It is as hard to understand the Algerian government's position that what is going on is nobody's business but its own *as it is to understand the extravagant* cruelty and ferocity of the killers. If the government is unable to protect its people, it should welcome outside help as it would after an earthquake or other natural disaster.

If it is unwilling to protect them, as seems to be the case when the horrors go on and on in the neighborhood of military posts without any attempt at intervention, the international community must put pressure.

Nobody is suggesting the dispatch of armed force. But there are many political and economic measures, particularly involving international credits, which could be taken to show the Algerian government that it must take seriously these demands that the abominations be stopped.

But other governments are reluctant to do anything except quietly deplore. They will only begin to react when public opinion becomes noisily insistent, as it was about ending the war in Bosnia. There is a mixture of reasons for this reticence. One, in the words of Prime Minister Lionel Jospin of France, is that "we don't really know how to explain what's happening ... it is not like Pinochet's Chile where *democrats were fighting* a dictatorial power. There is a fanatic and violent opposition fighting a power which itself in a certain way uses violence and the force of the state. So we are obliged to be rather prudent."

Mr. Jospin was candid enough to give another reason as well, the threat of a terror campaign on French soil, such as took place two years ago. "The French population also has to be protected. It is a heavy thing to say, but you will understand why it is my responsibility to say it."

At least he promised to relax a bit the tough French visa policy denying asylum to Algerians whose lives have been threatened. Just now, over half a century later, French Catholic bishops have issued a formal confession of guilt for silence and indifference to the persecution and murder of Jews under the Vichy regime. Where are the Muslim prelates now in the face of all these massacres in the name of Allah?

An Egyptian woman who works at a UN agency said she wished the officials at Cairo's Al Azhar University, as close as the Sunni world has to an overall religious authority, would issue a *fatwa* proclaiming these murders a sin against Islam. Muslims who rightly decry a distorted view of their faith as inherently bloody and bellicose should echo her. Silence carries a responsibility. Arab regimes hesitate to criticize one another, but they all have a stake in this and they must recognize it.

But as the Médecins du Monde ad said: "Although everyone has the right to life, liberty and security, no one today can ensure this right to the population of Algeria. We all have a responsibility in seeing that this right is respected."

That's what the United Nations is supposed to be about. Governments that compose it have to be reminded by their people, their philosophers, their eminent personalities, their religious officials that they must respond.

© Flora Lewis

Separate Fact From Hype in the Brewing Iran Missile Crisis

By Thomas L. Friedman

WASHINGTON — What is coming to be known as the Iran missile crisis is in many ways the quintessential post-Cold War foreign policy problem. But before we go to war with Iran to solve it, let's sort out fact from hype.

Here is what U.S. intelligence says: Since the early 1990s, Iran (like Syria, Iraq, Egypt and Israel) has developed the capability to build and launch short-range (185 to 375 miles, or 300 to 600 kilometers) liquid-fuel Scud-class missiles. At the same time Iran has been trying to develop its own version of the North Korean "No Dong" Scud missile, which has a longer range (800 to 925 miles) but is highly inaccurate. In 1993 North Korea provided Iran blueprints, and possibly even a single copy, of the No Dong missile, but then North Korean aid to Iran tailed off.

Since then the Iranians have been trying to obtain the guidance systems, stainless steel sheets and bigger engines to build their own, more accurate No Dong. In this search, Iranian agents turned to cash-hungry Russian universities and aerospace companies. The Iranians acquired enough technology to build and test on the ground their own No Dong-style engine.

There is a consensus within U.S. intelligence that within a year Iran should be able to flight-test a No Dong with a conventional warhead, but analysts are split over how long it would take for Iran to actually deploy a force of them with any accuracy. Some say two years, some say three. Much will depend on what help comes from Russian companies. In a meeting with U.S. officials on Sept. 18, the Russians confirmed some of the U.S. allegations against their companies and vowed to shut off the sales; other allegations they disputed. The United States is now watching to see if the supplies will really be cut off and is studying the disputed cases.

So much for the facts. Now for the hard part. What to do? It's absolutely legitimate for Israel to worry about Iran's acquiring missiles that can hit Tel Aviv. But the fact is, Israel has been living for years next to Syrian Scud missiles, with chemical warheads.

Israel has effectively dealt with Syria through deterrence: Blow me up, I blow you up. Israel may have to deal with Iran the same way.

Some U.S. officials believe the Israeli government is highlighting Iran now not only to derail its missile program before it is too late, but to divert U.S. attention and energy from the Palestinian-Israeli impasse, where the United States and Israel disagree. There may be no real link between the Iran crisis and the Palestinian issue. But the fact is, neither Israel nor the United States will be able to enlist any Arab allies in the Middle East to deal with Iran without giving them the political cover of progress on the Palestinian-Israeli front.

That's the reality of Middle East politics. (The United States can produce that progress either by knocking Israeli and Palestinian heads together or by just walking away and letting the pain of armed conflict do it. Incrementalism won't work.)

The United States also can't resolve this particular Iran crisis at reasonable costs without aid from Russia. A military strike against Iranian missile factories outside Tehran would be very difficult for Israel and fraught with huge risks for the United States and its Gulf allies. "We really need the Russians' help on this one," says a key U.S. official.

Isn't that ironic. America's hairy-chested NATO expanders just told us that because we Americans won the Cold War we didn't have to heed Russia's concerns. Think about the mixed message the Clintonites are now sending Moscow: In the Middle East you have to behave as a strategic partner, but in Europe you have to accept that you're still the main enemy.

As Michael Mandelbaum, a foreign policy expert at Johns Hopkins, points out: "Russia still matters. Russia is a big country, it still has a lot of leverage on issues that we care about, and it can thwart our designs not by military threats or the use of force, as in the Cold War, but simply by not joining the volunteer fire department — by answering the phone and saying, 'Sorry, I'd love to help, but I just don't have the time.'"

In the post-Cold War world the combustible cocktail of weapons proliferation, religious extremism, rogue states and free markets is becoming the biggest threat to U.S. interests. We can't cope with this threat by ourselves or in isolation from other policy goals. Neither can our allies.

The New York Times.

His Polls Are Heading South, But Kohl Has Prevailed Before

By Elizabeth Pond

BONN — The German chancellor may be running behind all possible rivals in opinion polls. The quarreling parties may have just, for the umpteenth and last time, scotched that urgently needed tax reform. Germany, as President Roman Herzog and German Industry Association chief Hans-Olaf Henkel and any number of commentators warn, may be in crisis as globalization hits a creaky consensus system that can't adjust fast enough.

But the wily Kohl has been there before. In office for 15 years, he has already outlasted founding father Konrad Adenauer. If re-elected just a year from now, he would by 2001 surpass even Bismarck.

Characteristically, in a eulogy the other day to the doyenne of German pollsters, Elisabeth Noelle-Neumann — on the 50th anniversary of her polling agency — Chancellor Kohl basically lauded those leaders who ignore public opinion and do what's best. Never mind educating voters that the true conservative is the one daring enough to change and therefore preserve. Don't try to coddle the opposition with lazy compromises. Bash them instead, and get out the faithful on election day.

Think back to February 1994. Mr. Kohl was 20 points behind his Social Democratic challenger in the polls. Demoralization in his own Christian Democratic Union was acute. Chancellery staff were sniffing around for other jobs. The far right semi-nasties had won 9 percent in Baden-Württemberg. The black hole of Eastern Germany was sucking up $100 billion per year; the Bundesbank had jacked up interest rates to brake inflation, and the economy was in a trough of absolute decline. The chic talk was about popular *Politikverdrossenheit*, literally, "sullenness about politics."

Then came the Christian Democratic party convention in Hamburg. Mr. Kohl delivered a give-'em-hell-Harry speech. Recharged, the foot soldiers fanned out to the provinces. The issue of asylum-seekers and aliens that had fueled the far right and topped popular concerns as Germany took in half of all European immigrants lost its salience after the Bundestag cut the numbers of newcomers. Unemployment replaced foreigners at the top of the worry list.

Then the economy picked up. Both angst about jobs and a contrary hope that things were getting better played to Mr. Kohl's advantage, as voters remembered that they trusted the Christian Democrats more than the Social Democrats in economic policy. Yet again, the underdog Kohl won in October.

But isn't it different this time? Doesn't 11 percent unemployment recall the terrible 1920s? Won't taxpayers blame the government just as much as the opposition for what the taxpayers' association calls the "national scandal" of collapse of their promised tax relief? Won't Mr. Kohl's junior coalition partner, the Liberals, finally succumb to the decade-old threat, drop under the 5 percent minimum needed to enter the Bundestag next year and leave a "grand coalition" (of left and right) or a "red-green" coalition (of Social Democrats and Greens) as the only options?

And, more fundamentally — Kohl or no Kohl — won't it be too late by then to make up for *the structural* and institutional lags incurred as a sluggish Germany fell behind Asia and America in competitiveness in the 1980s? Aren't Germany's timid entrepreneurs, immobile labor and onerous social welfare too great a burden?

And won't European monetary union hit the fan in the next few months? Won't the failure of the European Union to revise its institutions block EU enlargement?

Yes, if you believe all those CEOs who think that Mr. Kohl is worn out and doesn't understand the new world and that it's time for fresh blood. Yes, if you think that Mr. Kohl has simply been lucky enough to be rescued each time he has hit a nadir by some deus ex machina like German unification in 1990 — seven years ago Friday — or that rising economy of 1994.

No, if you look at the propensity of the Social Democrats to shoot each other in the foot in the run-up to elections. No, if you notice the quiet adjustments Germany has finally begun to make behind the scrim of stagnation. Industrywide labor agreements are already, de facto, a thing of the past. That burdensome social welfare keeps a resentful underclass from developing. And even that bastion of trade union orthodoxy, IG Metall, just accepted a pilot program of part-time work for preretirees.

"This is a country which is remaking itself," asserts John Kornblum, the new U.S. ambassador to Germany and more of a believer in Germany than many Germans are. Like America, he says, Germany is a country *immer im Werden* — always in the process of becoming.

The writer, author of "Beyond the Wall: Germany's Road to Unification," contributed this comment to the Herald Tribune.

Revamp to Reflect the New World

By Alexander Downer

The writer is Australia's foreign minister.

NEW YORK — In the past few years, members of the United Nations have grappled with an ambitious reform agenda that has included key institutions such as the Security Council and the office of the secretary-general. But the agenda is not exhaustive and some significant possibilities for reform are yet to be explored. Foremost among them is the possibility of a revamp of the UN regional group system.

The existing system is intended to ensure that the various geographic regions of the world are fairly represented throughout the UN. It is built on a division of the membership among five broadly geographic groups: Africa, Asia, Latin America and the Caribbean, Eastern Europe, and the Western European and Others group. By an inelegant combination of official and informal practice, these groups are allocated a certain number of seats in various UN bodies, thus ensuring — in theory at least — a healthy, happy and geographically heterogeneous organization.

In practice, however, the continued effectiveness and fairness of the group system is questionable. Its structure reflects the Cold War landscape in which it was conceived: East-West tensions, a divided Europe and a smaller number of African and Asian states with limited influence over global affairs. Given the profound changes that have occurred since then, it is not surprising that anomalies exist in the system. There is now a real need for a structure to represent the future rather than a quickly fading past order.

One example of this change is the increasing integration of Europe, and the rapid erosion of the political imperatives that led to its partition for UN electoral purposes. With continued NATO and EU expansion set to embrace a growing number of Eastern European countries, the electoral distinction between Western and Eastern Europe may no longer be sustainable. Another example is the anomalous position of Australia and New Zealand. For historical reasons, they find themselves in the rather dubious "others" category, in a grouping increasingly subsumed by the EU, and divorced from their natural geographic constituencies in East Asia and the South Pacific.

The disparities in the sizes of the existing groups are also increasingly untenable, ranging from 21 members in the Eastern European group to 53 in the African group. Such discrepancies have obvious implications for members of the larger groups, which face intense competition for limited opportunities to participate more directly in the work of the UN.

Moreover, the sheer diversity of the larger groups lessens the extent to which members can be said to represent each other as well as themselves. It also contributes to the underrepresentation of many significant subregions. This diversity is particularly evident in the Asian group, whose membership extends from East Asia and the Pacific through Central Asia to the Middle East and the Gulf. The South Pacific is one subregion that often seems underrepresented in the UN. Members of other subregions, such as the Middle East and the Caribbean, have voiced similar concerns.

While the possibility of reconfiguring the groups is starting to attract some attention, it would be premature to propound specific proposals. Despite its many flaws, the structure is deeply entrenched and change will challenge the whole UN membership.

The slow pace of progress in the current debate over reform of the Security Council is a warning that devising a model that is both genuine and salable will involve complex and protracted discussion. Nonetheless, a shake-up of the existing system is essential to the continued credibility and effectiveness of the UN. As such, it forms an essential component of the broader reform agenda.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Spanish Mission

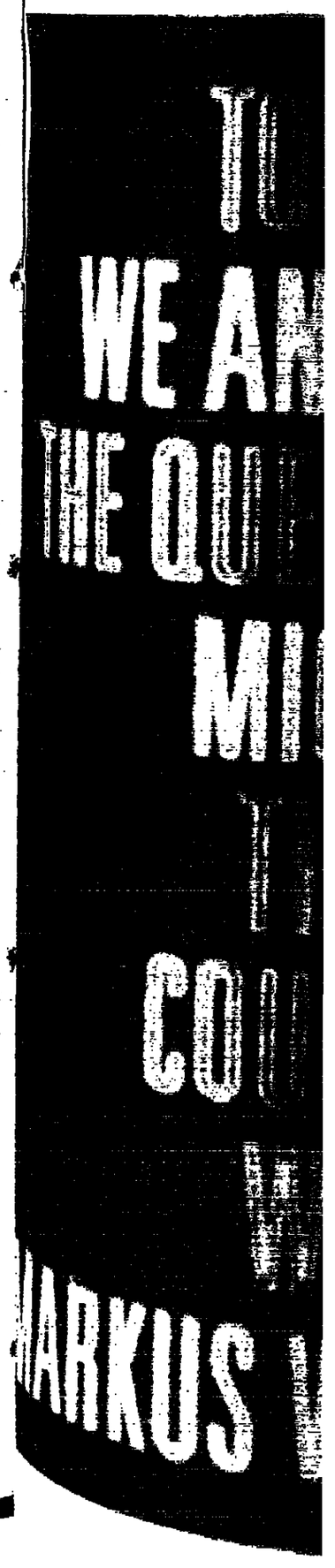
MADRID — Senor Sagasta, the new Premier, made no secret that his mission would be a veritable campaign against administrative abuses in Spain, in Cuba and in the Philippines, as well as a complete modification of colonial policy. Cuban home rule, according to him, would be compatible with the maintenance of Spanish sovereignty and with the programme of the Cuban autonomists.

1922: Duncan Detained

NEW YORK — Uncertainty exists as to the reasons for the detention of Isadora Duncan, ordered by Government officials when the dancer and her Russian husband arrived. It was supposed to be due to the fact that Isadora has married an alien. It was later announced that the initiative was taken in the belief that Isadora or her husband will spread Bolshevist propaganda. Isadora is a native of California, and was married to a Communist poet under the Soviet marriage law, which is not recognised in the American courts. Moreover, the Cable Bill, under which an American woman citizen does not lose her citizenship by marrying an alien, was signed a week ago by President Harding.

1947: Archduke Fined

NEW YORK — Archduke Franz Josef of Austria was put in jail for three minutes and finally saved by a reporter who advanced him the $25 fine. The archduke was fined in Queens traffic court for driving with bright lights. The magistrate told him in court: "I am tired of you so-called celebrities ignoring our court orders. Two warrants were issued to bring you here. You must be taught to respect the laws of our country and appreciate hospitality."



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OPINION/LETTERS

Making Sure Cuban Crisis Is the Last of Its Kind

By Stephen S. Rosenfeld

WASHINGTON — Gratitude for the grace that saved us has to be the first reaction to "The Kennedy Tapes," the newly published tapes that President John F. Kennedy secretly made of White House deliberations in the Cuban missile crisis of October 1962.

These recordings, made presumably to give Kennedy command of the historical record, bring to life the single episode when the world teetered on the brink of nuclear war. To remove the missiles the Kremlin had sneaked into Fidel Castro's Cuba produced the Cold War's defining collision of short-term safety with longer-term credibility, prestige and, for Kennedy, political survival. To read now an unbroken 700-page narrative of a sequence heretofore well known — but only in bits and pieces — makes one wonder the more that we survived.

A pity then that the Harvard editors of this remarkable and unprecedented exercise in historical documentation, Ernest May and Philip Zelikow, do not examine it in its full dimensions. They make of the proceedings a paean to the modern-day political science category of crisis management. Their focus is not on the larger strategic dilemma that framed the instant challenge, but on the immediate decision-making techniques practiced along the way.

In the process, the reconstruction of the missile crisis becomes what the editors identify as a progression from history to drama to screenplay. It becomes a stage on which to nominate Kennedy for greatness.

Missing from this version is a full evaluation of the mixed political, strategic and psychological results of the missile crisis. It brought the nuclear nonproliferation treaty and the closure of the Berlin crisis. At the same time, it brought a further mutual expansion of nuclear arms building, plus the early ouster of the "hare-brained" Nikita Khrushchev by a Kremlin consensus bent on competing harder and smarter against the United States.

Although hailed as a Cold War victory for the United States, the crisis permanently cost Americans the sense of invulnerability behind two oceans that had been the mark of American innocence until then.

Missing too is any evaluation of the impact of the crisis on democratic practice. This convulsive event put into a few hands in the White House a constitutionally unauthorized power to make ultimate decisions about the life and death of the nation, and to make such decisions affecting not only the United States and the Soviet Union but also the rest of an unconsulted world. Later U.S. disputes over a president's war powers fade into insignificance against the war-and-ruin powers Kennedy found it unavoidable to take onto himself in the missile crisis.

The new book's editors find Kennedy calm, lucid, making no serious misjudgments, avoiding impulsiveness, sorting skillfully through varied interlocutors, following a more peaceful course than anyone else could have done, playing out some of his finest hours.

The editors do in fact make a convincing case for Kennedy's coolness under unimaginable pressure. But they do not ask how the system put a president in the situation where to defend against a genuine strategic threat, he had to put at risk the very existence and survival of the United States and the rest of the world.

It seems to me less important to celebrate the high personal qualities of one leader in a crisis that passed than to grasp the deadly systemic qualities of a defense system that remains unchanged in its essence to this day. With the Cold War behind, America and Russia still rely on a model of nuclear deterrence that entails the targeting, the keeping on alert and the preparing for Armageddon of about 10,000 nuclear warheads.

Ask yourself what kind of defense you would prefer. One in which you must rely as now on the sense and nerves of the political leader of the day, or one in which the system itself — the missiles, the links, the strategies — might spare the country and the world the worst consequences of human fragility and error?

"The Kennedy Tapes" with its emphasis on the human element in crisis management is exactly the right book to kick off a vigorous new round of discussion in the Clinton administration on how to make sure there never will be another Cuban missile crisis or anything like it.

The Washington Post.

With Lives at Stake, Moralizing Is Cruel

By Richard Cohen

WASHINGTON — My first indication that access to condoms did not lead to increased sexual activity occurred when I was a teenager and my friend Irv settled a poker debt by giving me a condom.

I placed it in my wallet and there it stayed, unused for so long that, like the trees of the Petrified Forest, it turned to stone. Had I not lost that wallet, it would today be a tourist attraction.

MEANWHILE

Now comes somewhat more scientific evidence that access to condoms — a part of AIDS education programs in a few public schools — does not increase the rate of sexual activity. It does, however, increase the rate of condom use by teenagers who are already sexually active, which is, after all, the whole point. The study was done in New York and Chicago.

In due course, I expect another study to rebut the one just published, because that, it seems, is the way these things go. In the meantime, though, attention must be paid to what was published Tuesday in the American Journal of Public Health.

The study compared ninth graders in New York who had access to condoms in school to ninth graders in Chicago who did not. The Chicago kids were just as sexually active — about 60 percent in each case — but the New York kids were more likely to use a condom.

The difference is not dramatic — 60.8 percent of the New Yorkers versus 55.5 percent of the Chicagoans used condoms — but that does not mean that it is insignificant. About 40,000 new HIV infections annually occur among teenagers, not to mention about 3 million infections of other sexually transmitted diseases. It is not too much to suspect that the condom access program, available in an infinitesimal number of schools, has already saved some lives.

The arguments against such a program — and they are vociferously made — are two: It will only increase sexual activity among teenagers, and it puts an official imprimatur on what, after all, is proscribed activity. As for the first argument, the recent study seems to disprove it. As for the second, it is essentially a moral argument.

But even moral beliefs ought to make some sense. It stands to reason that condoms will reduce AIDS cases and other sexually transmitted diseases. Similarly, it stands to reason that needle-exchange programs also will decrease the spread of AIDS. Finally, it makes sense to allow cancer patients and other sick people to use marijuana for medicinal purposes even though the drug itself is illegal.

In all these cases, a zealous moralism overwhelms clear thinking. Just this week, Joseph Califano Jr., the president of the National Center on Addiction and Substance Abuse at Columbia University, wrote an op-ed essay in The Washington Post pleading with the residents of the District of Columbia to reject a proposal to make the medicinal use of marijuana legal.

Mr. Califano is one of the smartest men I know, but in not one paragraph of his essay does he explain why allowing cancer patients a medicinal toke is such an awful idea. The essay is yet another attempt to show that pot is a gateway drug — the inch that leads to the mile of heroin, cocaine and other addictions.

Well, maybe. But what has that to do with an attempt to ameliorate the effects of chemotherapy or relieve the pressure of glaucoma? Nothing, I would submit — except that the drug in question is illegal. It apparently induces such fervor in some people that they lose the capacity to distinguish between a teenager in a school bathroom and a cancer patient in a hospital room.

We Americans are a moral lot — always have been, probably always will be. We are forever telling the rest of the world what is right and wrong — China, for instance, on human rights, France about whether it should trade with Iran. China scoffs, the French ooze scorn, but more often than not, we are right and they are wrong, although being right is not the same as being practical. Part of our charm, I think, is our naïveté.

But one cannot be a virgin over and over again. Once it is established that condom distribution does not lead to the Sodom and Gomorrization of our public schools, then it is a bit cruel to oppose the program — and too bad about the kids who get AIDS. It is the same with needle exchanges and the medicinal use of marijuana.

Sometimes, moral is not the same as right — not when people suffer or die as a result.

The Washington Post.

Study shows that free contraceptives are not related to promiscuity.

LETTERS TO THE EDITOR

Appraising Burma

Regarding "Burmese Foes of Junta Given Permit to Hold Party Congress" (Sept. 27):

The Burmese military regime's statement allowing the opposition leader Daw Aung San Suu Kyi's National League for Democracy to hold a congress — together with General Khin Nyunt's attempt to bring about a dialogue with party leaders — may have led some to the premature conclusion that the government has become more tractable.

We need to remember that this is one of the few times the National League has been able to hold a conference, in its nine years of existence, that has not been forcibly broken up by the State Law and Order Restoration Council.

Moreover, the SLORC's attempts to hold a dialogue with the National League's chairman, U Aung Shwe, is seen by many observers as a plot to weaken and divide the opposition. It is the party's position that its general secretary, Daw Aung San Suu Kyi, should always be included in any negotiation for democracy.

There is a possibility that the government is beginning to engage in a gradual review of its policies, in the face of a failing economy and pressure from the international community. But it is more likely that the regime is merely departing from its usual tactics so as to improve its image in the international arena.

MAUNG MAUNG AYE.
Ban Mae Sot, Thailand.

The writer is a National League for Democracy member.

On Market Rules

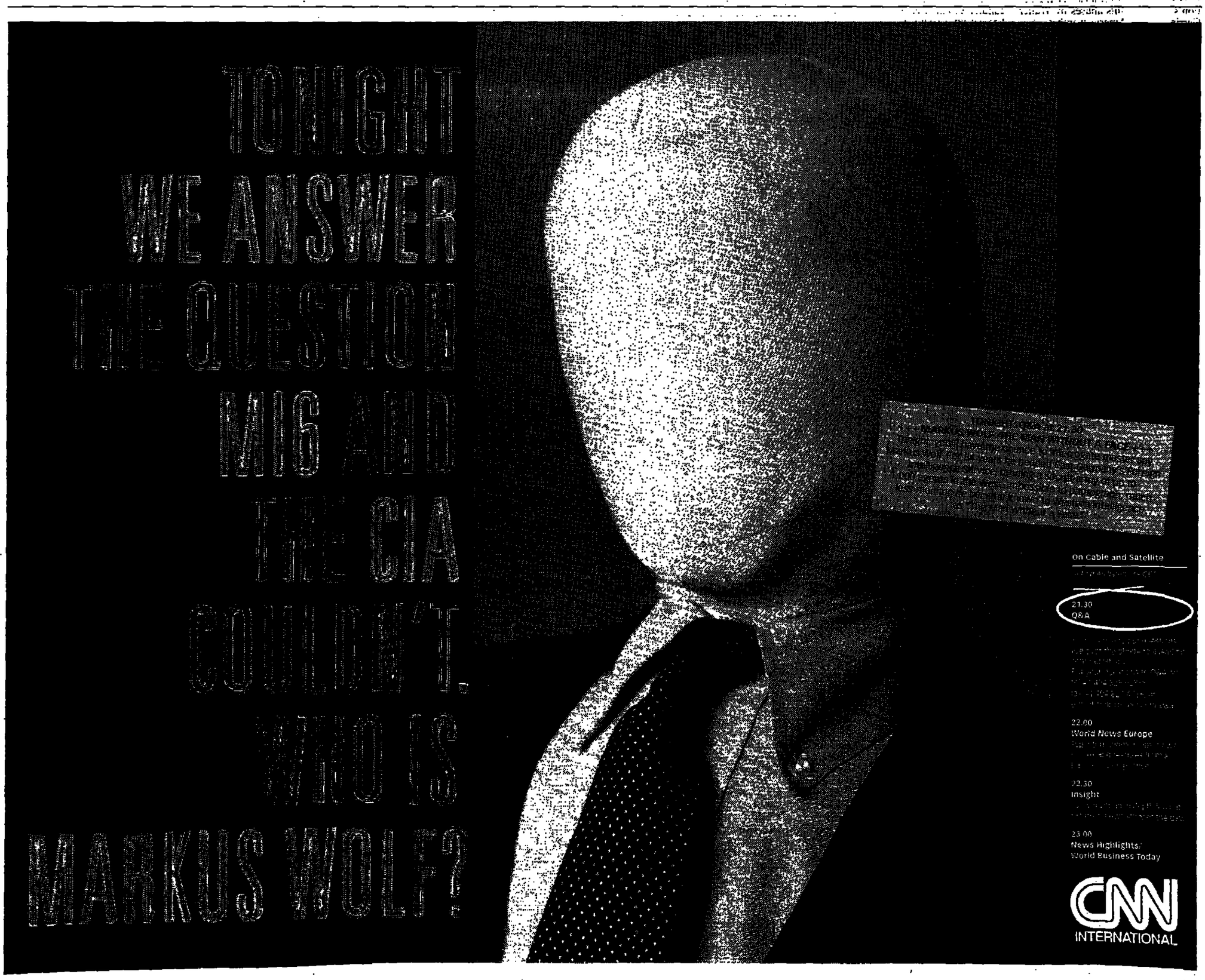
If countries such as Malaysia want the benefits of international capital markets, they also have to accept one simple, but immutable fact: They have to play by the markets' rules. To look for a "Western conspiracy" attempting to "destabilize" Asian values is pointless and counterproductive. Britain, France, Spain, Italy, Sweden and Mexico have all had to learn the same lesson as Malaysia.

ANANT SUNDARAM.
Glendale, Arizona.

Not Unconstitutional

William Pfaff *("When Science Is Wrong and Theory Is Deadly," Opinion, Aug. 30)* wrote that in the 1940s, the United States "was unconstitutionally interning its Japanese citizens in concentration camps." In fact, in Korematsu v. the United States, the Supreme Court upheld in 1944 the constitutionality of the internment of U.S. citizens of Japanese descent, in the name of national security.

MICHAEL ALCAMO.
Helsinki.



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NATO Agrees on Plans For Troops in Bosnia

Partial Pullout Won't Bar Extended Stay

By William Drozdiak
Washington Post Service

MAASTRICHT, Netherlands — NATO defense ministers agree that the alliance must sustain its military presence in Bosnia well beyond the peacekeeping mission's scheduled conclusion next June.

U.S. Defense Secretary William Cohen, at a closed "brainstorming session" here Wednesday, warned his colleagues in the North Atlantic Treaty Organization that it would be difficult to persuade Congress to approve a new mission that involves American soldiers. He also emphasized the need to stick to deadlines to prevent a "dependency culture" in which civilian agencies and the Bosnians themselves become too attached to the presence of NATO troops.

But Mr. Cohen agreed with other allied ministers who stressed that the alliance must sustain its military involvement in Bosnia because a sudden pullout would leave a security void that could lead to a slide toward violence and chaos, a senior NATO official said.

The White House is facing strong resistance to an extended military presence in Bosnia from Congress, which opposes deployment of U.S. troops beyond the deadline. But the allies say they will not keep their troops in Bosnia without U.S. leadership that includes ground forces.

"We went in together, and we will come out together," the German defense minister, Volker Ruehe, said. "We learned our lessons during the Bosnian war that the only way to maintain NATO unity is by sharing risks on the ground."

In response to this stand — and to the logic behind it — the Clinton administration has been preparing the American public for a possible extension of the U.S. military presence, while carefully avoiding any commitment. Samuel Berger, President Bill Clinton's national security adviser, said Sept. 23 that an extended U.S. military role was a possibility, but that no decision had been made. Mr. Cohen's reported discussions Wednesday seemed to walk the same narrow line.

The ministers here agreed that the first withdrawals of U.S. and other allied soldiers from the 36,000-strong NATO-led Stabilization Force should start early next year to reassure Congress that the current mission will conclude on schedule by June. But they also emphasized that NATO must play a long-term peacekeeping role in Bosnia because its own credibility is now closely intertwined with deterring future Balkan wars.

That consensus represented an effort to cope with conflicting pressures to make an early exit from Bosnia without triggering a new outbreak of war.

What emerged was a loose game plan to accomplish as many political and military objectives as possible in Bosnia within the next three months so that NATO troops can trim back their force levels without seriously endangering chances for peace and undercutting the possibility of extending the force.

NATO officials said three battalions — American, French and Spanish — of up to 5,000 soldiers would almost certainly be pulled out of Bosnia early next year to show good faith in sticking to the Stabilization Force timetable.

Herman Pirchner Agence France-Presse
William Cohen listening to the Turkish defense minister, Ismet Sezgin, at the NATO conference Thursday.

U.S. Is Set To Target Satellite in Laser Test

Compiled by Our Staff From Dispatches

MAASTRICHT, Netherlands — An aging U.S. Air Force space satellite will be used as a target in a test of a ground-based laser, the Pentagon said Thursday.

Defense Secretary William Cohen approved the test in an effort to "reduce the vulnerability of U.S. satellite systems," said a Pentagon spokesman, Kenneth Bacon. "The purpose of the experiment is to collect data that will help improve computer models used for planning protection measures for U.S. satellites."

The announcement was made at the end of a meeting of NATO defense ministers here that Mr. Cohen attended.

Critics of the test have said it could push the United States further toward approving space-warfare technology. But supporters argue that the United States, increasingly dependent upon satellite communications, must take steps to protect satellite systems from laser attacks.

Mr. Bacon said the experiment would be conducted within a few days and emphasized that it "is not designed to knock a satellite out of the sky."

The experiment will use the army's Mid-Infrared Advance Chemical Laser at White Sands Missile Range in New Mexico. The satellite will be illuminated twice, for one second and then 10 seconds.

"The experiment is fully consistent with U.S. policy and U.S. and international law," Mr. Bacon said. "It will not destroy the craft or result in any orbital debris or pose any risk to other satellites."

The test would be a major step toward perfecting a weapon that could demolish satellites and other spacecraft, an ability that the Pentagon regards as crucial in time of war.

But advocates of arms control say the U.S. test is likely to set off a race for new space weapons that will ultimately endanger the nation's own satellites.

The maker of the satellite, which is owned by the air force, says that the craft still has years of useful life and that its destruction would be a foolish waste.

The military wants an anti-satellite weapon mainly to stop enemies with orbital cameras from spying on U.S. weapons and troops during combat.

In the test, the laser is to strike the satellite, an experimental craft designed to improve ways to track missiles, to see what it takes to destroy it. The air force has said it no longer needs the satellite and had been planning to switch it off, despite the maker's protests. *(AP, NYT)*

NATO: *Growth Snagged by U.S. Demand That Europe Bear Costs*

Continued from Page 1

orbitant defense costs that could damage their fragile economies.

The discord surfaced ahead of key Senate hearings next week that could tip the balance in a vote next year on whether to ratify expansion. Most NATO governments say they expect no problems in securing a final stamp of approval. But the United States requires endorsement by two-thirds of the Senate, which is not yet assured because some legislators harbor doubts about long-term expansion costs, the dilution of the alliance and potential security risks of committing U.S. troops and nuclear weapons to the defense of Eastern Europe.

During the meeting Thursday, Defense Secretary William Cohen insisted that the cost factor would play an important role in convincing Congress that European allies are willing to assume greater responsibility for their continent's defense. He also stressed that new members must prove they were willing to pay their fair share to join the alliance.

"There can be no free lunch," he said.

Mr. Cohen warned his NATO colleagues, who gathered in this southern Dutch city for a two days of brainstorming on security issues, that any shortchanging on military investments by existing members or new partners would lead to "a hollow alliance" and ultimately erode confidence in future rounds of enlargement to include Romania, Slovenia and perhaps other eastern states.

But the U.S. view did not appear to carry much weight with the Europeans. Defense ministers from Germany, Britain, France and the Netherlands took exception to U.S. demands for higher European military spending and insisted that the burden-sharing debate should be viewed in a wider context.

Germany warned that investing in ultra-modern, American-made weaponry would sap defense budgets and detract from Europe's ability to pay for well-trained soldiers. The Netherlands said U.S. calls to spend money fulfilling obsolete force goals when no enemy looms on the horizon could undermine public support for the alliance if voters grew angry with a perceived waste of money.

France did not budge from President Jacques Chirac's repeated vow not to spend one extra cent on behalf of NATO enlargement. And Britain complained that the United States was overlooking Europe's greater contributions in civilian and development aid that also serve the Atlantic partnership's aims of promoting security and stability.

Several pointed to the fact that European government spend five times more than the United States in economic and military assistance to Russia, Ukraine and Bosnia. They noted, with some testiness, that such investments could do more to secure peace in Europe in the post-Cold War era than buying the latest models of American-made fighter jets and tanks.

Washington has been accused by some European governments of pushing the enlargement agenda to benefit such defense industry giants as Boeing, Raytheon and Lockheed-Martin Marietta.

But Mr. Cohen sought to dampen such criticism by saying the United States did not see enlargement as "an arms sales bonanza" for its defense industry but only wanted to ensure NATO's future military credibility.

Defense ministers from Poland, Hungary and the Czech Republic also sought to dispel any fears that public support to join NATO might be flagging.

BLAIR: *Adopting a Presidential Style*

Continued from Page 1

Roosevelt. And throughout his rapid rise to power, the parallels with President Bill Clinton have become commonplace: two younger men who brought their parties back to power by embracing centrist policies and new rhetoric.

Mr. Blair is not the first British prime minister to act presidentially. Harold Wilson, whose first Labour government was elected in the mid-1960s, openly attempted to imitate President Kennedy's use of language and informality. Margaret Thatcher, the dominant Conservative prime minister of the 1980s, combined force of personality and a strong ideological edge to project herself above her own cabinet. Even John Major, who succeeded Mrs. Thatcher before losing his post to Mr. Blair, employed personal touches to connect with voters.

But what Mr. Blair has done is especially notable given the way past Labour leaders have operated, according to Michael Foley, author of "The Rise of the British Presidency."

"In British politics, the ethos is on the collective and the corporate, with party control based on solid party allegiance," Mr. Foley said. In past Labour governments, other cabinet members had significant powers, making the prime minister merely "first among equals." Mr. Blair, he said, has centralized powers that go well beyond a party leader's previous grasp.

The breadth of Mr. Blair's embrace of the presidential style is significant. He has become the personal embodiment of what he calls "New Labour," his description of a political party that has shed the unattractive features of its past and recast itself very much in his image. And yet, he almost floats above his party, some say even disdains it. Facing an unfriendly resolution urging renationalization of the railroads, Mr. Blair went on radio and warned that, if the vote went against him, "it ain't going to happen." He did not lose.

He similarly floats around his own government, in the way a president does. He sets the tone, focuses on big-picture issues and walks away from squabbles among his cabinet ministers. When Diana, Princess of Wales, was killed, it was Mr. Blair, not Queen Elizabeth II, as head of state, who defined the country's grief and gave voice to the loss many in Britain were feeling.

His performance that week, both as a public politician and a behind-the-scenes adviser to Buckingham Palace, helped propel his approval ratings into the stratosphere.

Labour Party polls put his approval rating at 93 percent two weeks ago, although the full results of the survey have not been released.

But a new MORI poll published in Thursday's editions of The Times of London confirmed how successful he has been. It found that 75 percent of those questioned approved of Mr. Blair's performance, a record for a British prime minister, while 57 percent approved of his government.

Mr. Blair appears open and modern in his public guise, and his political agenda includes shifting power away from the central government, but as prime minister, he has centralized power in a way any White House would recognize and admire.

Mr. Blair may want devolution for Scotland and Wales, but he has drawn power tightly into No. 10 Downing St. There his small circle of advisers enforces relentless discipline on the government's message, leaving cabinet ministers less freedom than in the past to do and say as they please.

DEALS: *Here's One for the '90s*

Continued from Page 1

WorldCom stock declined only $1 Wednesday, a small drop that suggests investors are optimistic that the company's earnings projections are realistic. On Thursday, WorldCom shares rose sharply on optimism that the deal would go through. In late trading, the company's shares were quoted at $37.75, up $3.375.

While it does not have a triple-A credit rating, WorldCom is financially sound, according to Wall Street analysts. Earnings before interest costs, taxes, depreciation and amortization are healthy and growing. The company reported assets of nearly $20 billion and long-term debt of nearly $5 billion as of the end of 1996.

WorldCom, of course, has a rival for MCI's affections. British Telecommunications PLC has made a cash and stock offer for MCI. Wall Street analysts value the BT bid at about $32 a share — $7.75 in cash and the rest in stock. If BT wants to match WorldCom's bid, it will have to come up with more cash or more stock.

Many Wall Street analysts predict, however, that WorldCom will prevail.

BT is not helped in the bidding by its stock, which trades at a far lower multiple to earnings because investors see the company as a slow-growth utility.

Investors with stakes in MCI say they are inclined to sell to WorldCom, not BT. Many lost hundreds of millions of dollars this year when BT lowered its bid for MCI after the U.S. company reported lower-than-expected earnings.

Noting that MCI shares rose when the WorldCom bid was announced Wednesday, one New York arbitrageur, or high-stakes stock speculator, said, "There would be many happy sellers looking to sell their MCI shares to WorldCom." MCI was at $36.75 late Thursday, up $1.4375.

A source close to the Soros Organization, which took a $100 million loss when BT lowered its bid for MCI, said, "The people who own the big stakes in MCI now are not investors. They are arbs" — short for arbitragers — "who have lost hundreds of millions of dollars. If ever there was a good time for WorldCom to find willing sellers, it is now."

BRIEFLY

Russia Says Its Agents Curbed Iran-Bound Missile Technology

MOSCOW — Russia's domestic intelligence service said Thursday that it had thwarted attempts to give Iran the wherewithal to make nuclear missiles, but an Israeli official said the highly coveted technology was still getting through.

Israeli intelligence sources have been quoted as saying Russia and China are helping Iran to design its own ballistic nuclear missiles. Washington and Israel have expressed their concern about the reports, which the Kremlin has dismissed.

The Itar-Tass press agency quoted a senior Federal Security Service official as saying his organization "had detected separate cases of cooperation with Iran as a result of which Russian deliveries could have conflicted with international treaties on missile technology transfers."

"But they were all revealed and prevented," he added. *(Reuters)*

Kenya Fires Endanger Elephants

NAIROBI — Fires set by squatters clearing land for crops continued to rage east of Mount Kenya on Thursday, destroying more than 800 hectares of forests and driving elephants toward villages.

More than 300 elephants believed to be in the thick forest may flee the flames into surrounding villages, said Patrick Omondi, an elephant expert with the Kenya Wildlife Service.

"Human life will be lost," Mr. Omondi said. "This is already an area of high human-elephant conflict. Without the forest it will be very bad. It will become very difficult to contain the elephant population." *(AP)*

It'll Stay 'Mother' Teresa for Now

RIO DE JANEIRO — Pope John Paul II ruled out Thursday any special intervention to speed up possible sainthood for Mother Teresa.

Speaking aboard the papal plane as he flew to Brazil, John Paul was asked whether he planned to change the Roman Catholic Church's rules for canonization. Five years must pass after death before the process can begin.

"I think it is necessary to follow the normal way," John Paul said. After Mother Teresa died last month, there was widespread speculation over whether the process would be speeded up. *(AP)*

Mars Spacecraft Losing Battery

PASADENA, California — Nearly three months after landing on Mars, the Pathfinder spacecraft's battery may be running down, causing a communications blackout, U.S. space officials said.

They said a brief two-way communication was re-established Tuesday using the lander's auxiliary transmitter after three days without signals.

The problems began Saturday and could be related to "degradation of the spacecraft's battery," said a statement from the Jet Propulsion Laboratory.

The last successful data transmission cycle had been on Friday night, the 83d day of the mission that landed on the red planet on July 4. *(Reuters)*

FOOD: *Clinton Calls for Ban*

Continued from Page 1

tripled in recent years, federal health officials said.

Imports of produce have risen steadily, last year accounting for 12 percent of the vegetables and 38 percent of the fruit consumed by Americans. Federal regulation of such produce has fallen off.

Some affected parties accused Mr. Clinton of practicing a form of camouflaged protectionism on behalf of U.S. food producers.

"It is very clear to us that behind all this are economic interests that want to prevent Mexican vegetables from entering the U.S.," a Mexican farm official, Luis Cardenas, said in an interview with The Associated Press.

A spokesman for the United Fresh Fruit and Vegetable Association, John Aguirre, was also critical. "Clearly, being the world food police complicates the trade environment we operate in," he said.

But officials in Chile, one of the biggest fruit and vegetable exporters to the United States, said they were unconcerned by Mr. Clinton's remarks. Inspectors of the Animal and Plant Health Inspection Service, a branch of the U.S. Agriculture Department, already have an office in Chile.

"Chile has less fear than Guatemala or some other countries," said Odette Magnet, a spokesman at the Chilean Embassy in Washington. "It does meet the sanitary standards."

Chile, which hopes to join the North American Free Trade Agreement, joining the United States, Canada and Mexico, sent $525 million in fresh fruits and vegetables to the United States in 1995, more than one-fifth its total exports of those foodstuffs.

A spokesman for the European Commission had no immediate comment, though Agriculture Department inspection practices have caused friction in the past, and a new crackdown might revive tensions. Washington is already involved in a dispute with Europe over the "extraterritoriality" of U.S. laws that seek to limit trade with such countries as Iran and Cuba.

Some critics said that Mr. Clinton might be seeking to appease fears in the farm lobby and that the push for freer trade could raise Americans' exposure to the risks of tainted foods.

Mr. Clinton also said that he would order his secretaries of Health and Human Services and Agriculture to draw up guidelines on growing, processing, shipping and selling fruit and vegetables.

An administration official said the new corps of international inspectors would cost up to $24 million.

Budget cuts have caused the agency's inspections of domestic food supplies to drop from 21,000 in 1981 to just 5,000 last year. Foreign food imports have doubled to 2.2 million shipments a year since 1992.

SPAIN: *Royals' Simplicity Earns Support*

Continued from Page 1

years ago to become the first member of the Spanish royal family to have a salaried job. She also broke new ground in 1989 when she became the first royal to earn a university degree, in political science in Madrid.

Her work in the exhibitions department of a cultural foundation has enabled Spaniards to rub elbows with a royal who strolls about in sports clothes, lives in an unremarkable apartment and even shops like anyone else — except for the secret service agents trailing behind.

Both Cristina's lifestyle and marriage fit the rest of her family's casual approach to monarchy in a country that has twice deposed kings in favor of a republic.

In fact, the public disliked Juan Carlos when he became the handpicked successor to General Francisco Franco, who died in 1975.

Juan Carlos is widely credited with quashing an attempted military coup in 1981 by appearing on television in uniform and ordering the putschists to surrender. He also is praised for backing reforms that in their day were controversial, including the legalization of the Communist Party.

"Spaniards have come to trust the king, not because they are monarchists, but because they think he did what he should during the transition to democracy," said Carmen Estevez, who has covered the royal family for state television for two decades.

In recent years, Spaniards have come to identify with the family, which has been seen skiing in the Pyrénées, sailing in the Mediterranean or dining at an outdoor restaurant.

Cristina herself is an avid sailor and was a member of Spain's national yachting team in the 1988 Olympics.

While Queen Elizabeth II and Prince Charles of Britain are trying to rebound after being tarred as cold and aloof following Diana's death, opinion polls show the Spanish monarchy as the most respected of Spain's institutions, Mr. Estevez said.

"There is no comparison with British royal family, which has had so many scandals," he said.

■ Juan Carlos: A Frugal Monarch

Juan Carlos has also contributed to the royal family's popularity by portraying the Bourbons of Spain as a simple and modern royal family, Agence France-Presse reported.

Lavish displays are rare — the royal family's budget is one of the smallest among European monarchies.

In 1997, the royal family will have cost Spanish taxpayers 990 million pesetas ($6.6 million), half the £7.9 million ($12.8 million) the British Parliament allocates to Queen Elizabeth, her husband and her mother alone.

The Spanish royal family's budget is equivalent to that of the Dutch royal family ($6.8 million) and less than those of monarchies in smaller countries such as Sweden ($9.6 million) or Denmark ($8.5 million).

Popularity polls are flattering to the Bourbon family.

The latest, in September 1996, showed that 83.6 percent of the population judged King Juan Carlos' actions to be "good" or "very good" while only 3 percent said they were "bad" or "very bad."

CLIMATE: *Clinton Woos TV Forecasters*

Continued from Page 1

forecasters was the most innovative step in a White House campaign to rally public support for new binding global targets for restricting greenhouse gases.

A coalition of industry and labor groups is spending some $13 million on advertising opposing such targets, which will be considered and may be adopted at an international conference in December in Kyoto, Japan.

"I don't ask for you to advocate or do anything outside of whatever your own convictions are," Mr. Clinton said as the afternoon skies cleared and the East Room brightened. "But I do think it's very important, since you have more influence than anybody does on how the American people think about this, that at least you know what you believe and how you think we should proceed."

As the 5 o'clock broadcasts rolled around, dozens of meteorologists milled about on the north lawn of the White House, straightening their hair, consulting notes, muttering lines.

While others waited their turns, about six stood bathed in white lights before cameras, speaking to the folks back home or standing, faces blank and microphones at the ready, as they listened for their cues in the distant chatter among the anchors.

As they talked about the chill in Buffalo, New York, or the pleasant weather in Washington, the forecasters also described the concerns of the president about climate change.

"He wants all of us to think about what is happening to our climate," said Chuck Gaidica Jr. of WDIV in Detroit.

Several took note of the surreal scene on the lawn, and some were careful to distance themselves from the White House's arguments. Global warming is "a theory that is widely accepted, but it's still under debate in the scientific community," Cecily Tynan told viewers of WPVI in Philadelphia. "Judging by the PR event that was orchestrated here, it's certainly become a very hot topic in the Clinton administration."

Other forecasters confessed to viewers that they were thrilled to be there.

"To be honest with you, I'm just like a little kid," said Bob Kovachick of WNYT in Albany, New York, adding that he had shaken the president's hand.

Bryan Norcross of WBRY in Miami told his viewers about the detailed presentations from Mr. Clinton and Mr. Gore. "Everyone in the room came away impressed that they know what they're talking about, that this isn't just a political event, even though the vice president is going to run for president," he said.

Pronouncing the day a success, Michael McCurry, the White House press secretary, said that the meteorologists had "appreciated being treated as something other than airheads."

Gail MacDonald, president of the Global Climate Coalition, which is made up of business and trade groups opposed to binding targets for reducing emissions, said she did not object to the White House's tactics. "We think that any kind of any increased public discourse is good," she said.

Beyond their skepticism, some of the forecasters took advantage of their appearance to attach a few barbs to their chipper chatter. "We got here real early this morning," Mr. Doocy deadpanned on Fox. "It was just me, the crew and the special prosecutors."

هكذا من الأصل

Scouting Greek Isles For a Dream Home

The Delights of Tinos and Syros

By Benedict Nightingale

MAYBE it was when we were sitting in Lilis's Taverna, relishing a spicy local sausage called *louza* and looking down a long, steepish hill to the port and the sea, that we came to what felt very much like a decision. Or maybe it hit us at Delphini's, which is on a pretty bay on the other side of the island and serves remarkably delicate stuffed aubergines.

On what must have been our 20th visit to Greece, my wife, Anne Redmon, and I knew where we wanted to buy a house for our holidays and, one distant day, our retirement. No, not on Patmos, Chios or any of the famously wonderful islands, but on the far lesser-known Syros. The reason wasn't the Syriote food, though that was a lot better than the Greek average. It was the island's peculiar blend of 19th-century elegance, medieval mystery and prehistoric wildness, combined with its prime position in the Aegean and its total failure to pander to foreign tourism.

Actually, our choice could well have been Tinos, which we visited just afterward and in the same bullish dream-house mood. This is another island that does not enjoy the international repute it merits and whose appeal is in part that very obscurity. With Mykonos, Tinos and Syros form a triangle roughly around Delos, a great religious and political center 2,500 years ago; and I'd rather live in either of them than in Mykonos, packed as it is with nudist beaches, slick Western bars and fun-loving visitors.

Mykonos is assiduously avoided by most Greeks; on the other hand, Syros was once Greece's most important port and when the nation achieved independence in 1830, was a prime candidate to be its capital. And Tinos can claim to be the modern Delos, for it surpasses even Patmos as a place of pilgrimage for religious Greeks. Together, Tinos and Syros are the heart and soul of the Cyclades — and they're only a morning's journey from Athens.

Some Greeks, mostly women, behave in a disconcertingly archaic way when they debark at Tinos's eponymous port and capital. They fall to the ground and begin to crawl the quarter mile up to the Church of the Annunciation of the Virgin Mary. We watched them one day, pads on their hands and knees. Up and up they went, past a booth selling seven-foot-high candles, up steps and more steps, across patterned pebbles, until, exhausted and sweating, they entered the church, stumbled to their feet and kissed an icon so thickly encrusted in jewels that Mary's face consists only of a tiny wedge of blackened paint. And above them hung scores of silver lamps from which dangle images of a foot, a hand, a head, even a fish, boat or truck. These were the thankful offerings of pilgrims who had made successful trips to the Madonna in search of cures for themselves or others or for prosperity.

M. Carbonare/Explorer

A church on Syros.

The Madonna is Greece's most famous "miraculous" icon, discovered in 1823 after a nun called Pelagia, now an Orthodox saint, dreamed that it was buried at the site of what had been a temple of Dionysus, was then a Byzantine church and is now the Annunciation. The date coincided with the start of the struggle against Turkish rule and the icon itself became and remains a symbol of nationhood, "the protectress of Greece" as well as a source of healing.

A few miles from Tinos Town is the nunnery where Pelagia had her vision, and her simple room, with a tiny wooden bed and a chest said to contain (though I can't personally confirm this) her head. Nunnery, do I say? Kechrovouni Convent is more like a village, with five icon-filled churches and streets of white-painted cells.

750 Churches and Chapels

But then Tinos teems with religious architecture, both Orthodox and, since the island spent centuries in Venetian hands, Roman Catholic. There are 750 churches and chapels on the island, which has a population of roughly 8,000. Some of these, starting with the Annunciation, have a highly elaborate look and tall, slim bell towers that might have been carved from icing-sugar; others, like the 17th-century Jesuit church in Loutra, in the island's mostly Catholic center, radiate a plain, unpretentious magic.

Beyond the churches, the attractions include the mountain on which Hercules buried the sons of Boreas and the island's famous dovecotes. These are massive stone edifices into whose sides have been cut triangles, stars, suns, rhomboids and patterned geometry of dazzling intricacy. Scores of them sprinkle the landscape and they still provide homes for birds that are valued both as meat and a source of fertilizer.

Then there are the villages themselves, which cluster in valleys or on hillsides: shimmering speckles of white whose streets turn out to be mule tracks winding round or tunneling beneath neat little houses swathed with extravagantly colored creepers and sometimes, with braids, flowers or fish cut into their lintels and fanlights. Tinos has long been famous for its sculptors and marble-carvers, and some still live and work in and around what the guidebooks call the "outdoor museum" of Pyrgos.

Tinos is the island of Boreas, the north wind, and of Poseidon. Drive to the wild, bare northwest of the island, and watch a red sun fall over the darkening silhouette of Andros, just across the narrow, violet-colored straits ahead, and you'll believe it.

You'll be in even less doubt if you go southeast, and the narrow, stone-fronted terraces on which the farmers grow their vegetables give way to the sheer slopes of Tsimias, Tinos's highest mountain. Those aren't just spiky black crags above you. They're the stones Hercules placed on the tombs of Calais and Zetes, Boreas's sons, after he killed them in reprisal for creating a sea breeze strong enough to prevent Jason's argonauts from rescuing him from Mysia. That primeval atrocity explains why an aggrieved north wind blows across Tinos to this day, keeping it cool even in high summer.

POTENT GARLIC Yet the same wind is said to invigorate sickly visitors. Even the peculiarly pungent local garlic was said by the dramatist Aristophanes to be good for eyesight. Poseidon was worshiped here, not just because he protected sailors, but because he sent storks to eat the vipers that once infested Tinos and because local legend regarded him as "the great doctor."

At one of the most important of his shrines, at Kiona, on the coast northwest of Tinos Town, are remnants of temples to Poseidon and his wife, Amphitrite, who was believed to cure infertility, along with stone seats and bits of the baths in which pilgrims purified themselves before going to the still holier island of Delos. If Tinos is, in Lawrence Durrell's words, "the Lourdes of modern Greece," what's the best comparison for Syros, some 10 miles southwest? Its port and capital, Hermoupolis, is likely to put you in mind of Paris, Genoa, maybe even Venice. The travel writer Robert Liddell declares in "Aegean Greece" that he knows no city square "except St. Mark's that more gives the effect of a huge ballroom, open by accident to the sky."

You can stroll along its shiny paving, or sit at a café looking at a massive neoclassical town hall on one side, a fine marble bandstand on the other. There are elegant balconies, graceful fanlights, wrought-iron filigree and wooden shutters on the silvery-gold houses and mansions in the narrow streets.

Homer would have been delighted by this curious flowering, for one of his most attractive characters came from Syros and spoke rapturously of it. Eumaeus, the swineherd who gave sanctuary to the returning Odysseus and helped him defeat Penelope's suitors, was actually a Syriote princeling abducted by Phoenician pirates from an island where, he says, famine and plague are unknown but cattle, sheep, grapes and grain abundant.

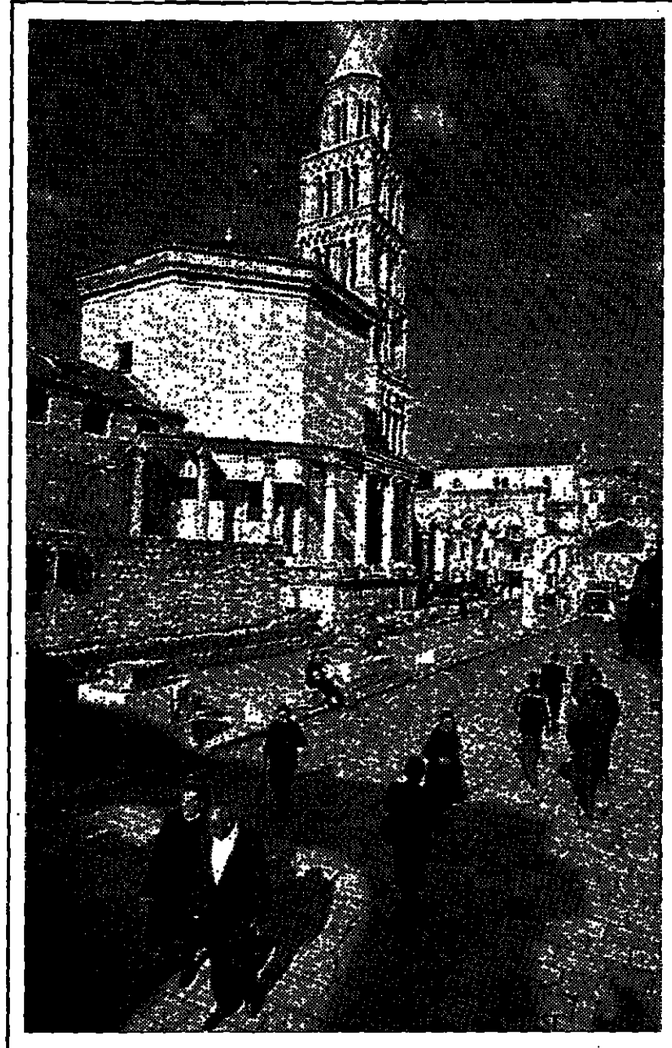
BUT Syros did not have real importance until thousands of refugees from the Turkish massacres in Chios settled there in the 1820s. They brought merchant skills and shipbuilding know-how and helped to transform Hermoupolis into a wealthy city and a great port. In the mid-19th century, 5,000 vessels were registered there, and the town could boast of having Greece's finest theater, a small replica of La Scala. But with the opening of the Corinth Canal in 1893, Piraeus became the nation's premier port, leaving Hermoupolis to decline into what we found, a beguiling mixture of the genteel and the decaying, through whose big open windows came the sound, unusual in the Levant, of people singing Handel and Mozart.

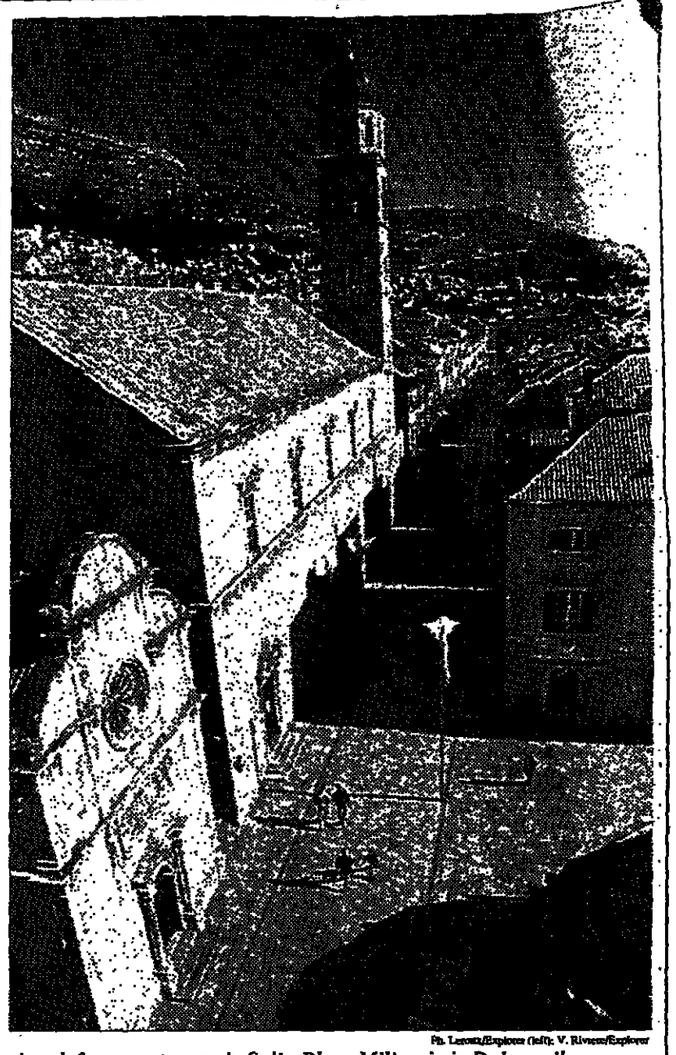
The island is both smaller and more populous than Tinos, yet you need drive only a few kilometers out of Hermoupolis to feel infinitely distant from it. The south of the island, where the rich built their villas, has a serene charm.

But maybe the most striking place on Syros is Ano Syros, the village on the higher of the two pyramid-shaped hills just above Hermoupolis. We could see it distantly from Tinos, and as we approached by boat, it began to look like a "colossal sugarloaf." That's the description of Herman Melville, who made several visits to Syros in 1856 and once clambered up the 870 cobbled steps to Ano Syros. From below "the houses seemed clinging round its top as if desperate for security, like shipwrecked men about a rock beaten by billows."

In a poem he wrote after returning to America, Melville praised the Syriotes for retreating to the "cone-shaped fortress" and making an "eyrie camp." He could have been speaking for me and my wife. The prospect of moseying around inside that cone, or pitching an eyrie camp in Ano Syros and looking across the Aegean to the shadowy mountains of Tinos, continues to seem irresistible. Yes, we know which Greek island we'd like to make our own.

Benedict Nightingale, the chief drama critic of The Times of London, wrote this for The New York Times.





Ph. Lavaux/Explorer (left); V. Rivera/Explorer

The ravages of war in Croatia have been repaired and tourists are returning: left, a street scene in Split; Place Milicevia in Dubrovnik.

On Dalmatia Coast, a Time of Peace

By Perri Klass

SPLIT, Croatia — Everyone in Split comes out to walk at dusk, and the broad esplanade along the Adriatic fills up with groups of teenagers, courting couples, young families equipped with tricycles, and well-dressed grandparents. This is the *korso*, the local version of the Italian *passeggiata*, the ritualized stroll by evening past the palm trees and through the warm seaside night along the harbor, or into the old town, through the gates of Diocletian's Palace and on into the medieval town squares, where ice cream is sold, where outdoor cafés are tucked in among the medieval buildings.

Split feels like the seaside resort town that it is and has been probably since the third century A.D., when the Roman emperor Diocletian built the massive palace to which he retired. The town of Split grew up both inside and around this enormous palace complex.

Before Yugoslavia fell apart, the Dalmatian coast was the center of a thriving tourist industry. During the recent war, some of the cities on the coast — most famously Dubrovnik, but also Zadar — suffered heavy shelling. The Croatian military is still a visible presence, and Bosnian refugees are still waiting in some Dalmatian towns for their next destinations, but much of the war damage has been repaired, and the country is eager, to the point, perhaps, of economic desperation, for the return of the tourists. We were making a slightly eccentric two-week trip in May, because Larry, my traveling companion, is a historian interested in the Venetian imperial adventure in Dalmatia — between 1409 and 1797, when Napoleon abolished the Venetian Republic, Venice ruled this strip of land directly across the Adriatic.

What you do in Split is walk around the old town, enjoying tiny and peculiarly angled streets, and stopping as often as possible to sit at an outdoor table and have a drink. We started at Diocletian's Palace, an enormous third-century structure built on the four-quadrant plan of a Roman fort. Entering at a gate across from the harbor, you wander through the largely empty echoing vestibule and the basement chambers. Then you come out into the sun in the palace courtyard, the peristyle, grandly lined with columns, leading to the emperor's mausoleum. The varying historical tides of religion and commerce have made their inexorable changes to the emperor's grand design; he may have deified himself during his lifetime, but his mausoleum has been turned into a cathedral by the deeply Catholic Croats. The peristyle is occupied, inevitably, by an exceptionally pleasant outdoor café, the Kavana Luxor, where you can sip a drink and gaze at the black granite Egyptian sphinx for which it is named; the sphinx was already 1,500 years old when Diocletian put it there.

In order to shoehorn a cathedral into the emperor's octagonal mausoleum, various devotional objects in the styles of various centuries are jumbled together in very close quarters. The carved wooden doors of the sanctuary, 13th-century pieces done by a local artist, show 28 scenes from the life of Jesus. The lower scenes are very worn, and the upper scenes hard to see, but the doors are a wonderful example of medieval biblical storytelling in wood.

DAY TRIPS From Split there are several possible day trips to towns of historic importance. Trogir, about 12 miles up the coast, is easily reached by bus. Situated on a very small island, just off the mainland, the medieval town was once a small autonomous city-state; later conquerors came and went, and it was ruled successively by the Venetians, the French, the Austrians, and the Italians. Its cathedral, built in the 13th century, boasts another notable entrance, this one carved in stone and featuring scenes from rural life and a remarkable bestiary of carved animals.

It is a longer and more ambitious trip to go from Split to Zadar, but since Zadar was the principal city and administrative center of Venetian Dalmatia, it was on our agenda. We set out very early for a four-hour ride; the multiple bus lines, all operating out of the main bus station in Split, seem to reflect the heady free-market days of post-communist competition. Zadar was badly damaged by shelling in 1991, and the town's historic sites are still being repaired. The many interesting churches include a closed-up Serbian Orthodox church, St. Elijah, externally undamaged but abandoned, a towering reminder of the cultural complexity that used to be Yugoslavia. The imposing Romanesque cathedral is dedicated to St. Anastasia, a Slav martyred in the fourth century, probably by order of the emperor Diocletian himself.

The massive ninth-century circular church of St. Donat is built on the remnants of the Roman forum, where the ground is scattered with fragments of classical buildings and columns. In fact, pieces of Roman buildings were incorporated into the church, and can clearly be seen embedded in the walls. It is a large heavy building, famous for its solidity and endurance; over the centuries, it has seen service as an arsenal, a shop and a museum. Now it is empty, and you can climb a spiral staircase up to a high balcony and look down on the strange half-light filling its white cylinder shape.

We left Split by ferry. The two-hour voyage took us out of the dramatic harbor of Split, still dominated by Diocletian's Palace, and across the glittering blue Adriatic to the island of Hvar, where we arrived in yet another spectacular harbor, golden houses sloping down a hill to the sea, with a backdrop of pine woods and occasional cypress trees.

Honey and Lavender

Hvar is a renowned resort, famous for its idyllic climate, its honey, and its wild lavender, which is sold at tables along the harbor, made into sachets or into oil that, its vendors claim, will insure sound sleep and long life. Under the Venetians, the island prospered, and the town is full of Venetian-style palaces, lining steep streets that lead down to a glorious piazza bordered by the cathedral, the clock tower and loggia, and the 16th-century Arsenal. We climbed the hill behind the town to the fort at the summit. The sun was setting, and the air smelled of pine and ocean.

We ate at the Macondo, one of several outdoor restaurants wedged into the steep and narrow streets; after some taxonomic discussion with the waiter about the different kinds of Adriatic crustaceans, we had excellent spaghetti with locally caught lobster and white wine and garlic. The food tasted profoundly Venetian — or maybe a little better.

We spent the next morning visiting the Franciscan church and monastery at one end of the harbor. In the refectory is a painting of the Last Supper attributed to a Florentine painter, Matteo Rosselli, who supposedly was on his way to Dubrovnik when he fell ill and was taken in by the monks. There was a great deal of artistic travel back and forth between Italy and Dalmatia. In the afternoon, we waited at the ferry dock until another Jadrolinija boat took us to the island of Korcula, about three hours away. We docked at Stari Grad, and immediately got onto a bus to take us to Korcula town, another important Venetian city, another beautiful medieval town.

We found a room at a relatively charmless but comfortable resort hotel a little way away down the beach, the Hotel Liburna. The tiny red-roofed old town, surrounded by impressive fortifications, is built on a windy promontory, and the streets are laid out like a fish's skeleton. Again, at Korcula, it is the town itself that is the great work of art, and walking its cobbled fishbone streets will take you from art museum to cathedral (where there are a couple of Tintorettos hidden in dark corners) to a small museum of Byzantine icons maintained by a brotherhood of flagellants. The carved stone doorway to this cathedral features statues of Adam and Eve, squatting on either side of the portal, both looking as if they've seen trouble and toil in their time. Korcula town also lays claim to Marco Polo's birth (Venice disagrees), pointing to an entry in the cathedral's baptismal register, and you can visit Marco Polo's house and climb up to the roof for a view of the city. Gradski podrum, a restaurant with outdoor tables placed near the 16th-century town hall loggia, served small briny local oysters, tangy and redolent of the sea.

And so, at last, by Jadrolinija ferry to Dubrovnik. It was an afternoon's journey among the many tree-covered islands, some low to the water, others mountainous.

We had wondered how much war damage we would see in the old city.

During the siege, the Yugoslav Federal forces pounded the city for eight months from land and sea. As you walk the ancient ramparts, you can still see repairs under way on the city's red tile roofs, and bullet holes and other war damage are visible. Still the overwhelming majority of the damage has been painstaking repaired, using the same Korcula stone and traditional building techniques, and you do not feel you are looking at a devastated city. Dubrovnik looks breathtakingly beautiful as it waits for the tourists to return.

Unlike Split and the islands, Dubrovnik was not part of the Venetian empire in Dalmatia. On the contrary, this free city-state, known as Ragusa, was a rival Adriatic power, trading east and west, and balancing among the larger, stronger states (the Venetians, the Turks) by means of naval power, financial acumen and diplomacy, until Napoleon conquered the city. Ragusa was a republic ruled by a Grand Council of noble families, led by a rector, chosen from among the Grand Council members. The chosen one went to live in the Rector's Palace; he was forbidden to take along any family members, and dwelt there in solitary splendor for his one-month term. The palace is now a museum, and the exhibits include paintings of the Ragusan nobility in their lace and brocade finery.

But the first thing to do in Dubrovnik is to walk the ramparts; if you come in at the Pile gate, passing under the carving of the city's patron saint, St. Blaise (Sveti Vlaho, who warned the Council of a Venetian attack), you come almost immediately to steps leading up to the walk along the walls.

Built between the 13th and the 16th centuries, the walls are intact, and the one-mile circuit takes you out above the sea, looking down the sheer drop at crashing waves, and then in around the harbor, where you can see the old breakwater built to protect the ships, and then under the looming mountain, where you can appreciate how vulnerable this extraordinary city was to attack from inland, and imagine the red tiled roofs under bombardment.

The churches and monasteries, streets and houses of Dubrovnik are made from a light-colored stone quarried on Korcula, and the red roofs, white buildings, and dark blue sea together in the sun offer a prospect of stone and light and water as balanced and as graceful as the intricately carved Venetian loggias on the main square.

Later we strolled the great broad Placa, the main street that traverses the city. At the far end, in front of the Baroque church of Sv. Vlaho, stands the Orlando column, a monument to freedom decorated with a gentle-faced statue of the legendary knight Orlando in armor.

Beyond it is the Ploce Gate, with a clock tower where green bronze knights strike the hour. And in front of the church are more outdoor cafés, more places to sit and watch the evening korso.

One sightseeing day in Dubrovnik we visited the cathedral, and found a treasury that seemed to be the work of some slightly demented genius anatomist. Jeweled reliquaries containing many body parts of many saints are collected here, with a honeycomb of shelves covering the walls; tall thin spaces for legs, shorter spaces for arms and hands, and small snug slots for heads. The head of St. Lawrence is there, the hand of St. Peter — all encased in richly worked precious metal. The effect is of a fabulous, bizarre cabinet of curios assembled by a member of another species who specialized in collecting bits of human beings.

EVENING in Dubrovnik seems made for sipping brandy or aperitifs at outdoor tables in one or another spectacular town square. I had developed a taste for an herbal brandy called *travarica*, and Larry liked the sweet wine, *prosek*, served over ice, and the powerful plum brandy, *slijivovica*. And then we would wander up to a street called Ulica Prijeko, which runs parallel to Placa. There are numerous restaurants here, all of which set out large tables, so that the whole street becomes one long unbroken row of tablecloth-covered tables, some set with candelabra, others with lamps. The proprietors invite — or importune — the somewhat scanty tourist pickings. These restaurants offer similar menus: fish platters, grilled shrimp, an occasional seafood pasta or risotto.

And then, after dinner, we would stroll the Pla again, walking those polished white stones, pa respects to the statue of knight Orlando, or pe wandering back through the streets behind t thedral, crowded mostly with young people d beer and eating ice cream. The city is alive, can only feel, as travelers have felt for lucky to be there, lucky to be able to wal and stroll the streets in a time of peace. beauty.

Perri Klass, a pediatrician and nov most recent book is "Baby Doctor," wrote New York Times.

RECORDINGS

Echoes of Miles, Polyphonic Liturgy

• **PHILIP CATHERINE** "Live" (Dreyfus): The guitarist Catherine recalls the postwar decades when Belgian jazz musicians were as good as any in the world. This mixed Belgian/Dutch quartet balances the African element of swing with European harmonic investigations. They sometimes sound like Django Reinhardt with an organ trio.

• **A FILETTA** "Passione" (Olivi Music): Ten male voices accompanied by celli and an organ present polyphonic liturgical music of the rocky Mediterranean island of Corsica. Ancient consonance punctuated by the occasional modernizing dissonance. And Latin and Arabic influences are laced together.

• **WALLACE RONEY** "Village" (Warner Brothers): Of all those who might aspire to be post-Miles heroes, Roney is closest to pulling something really new together. His Milesian sense of melody is without cloning. The tunes and the harmonies are exquisite and performed without a flaw. Geri Allen and Chick Corea set an imaginative chordal foundation.

• **TONY LAKATOS** "Generation X" (Jazzline): A Hungarian Gypsy with a German twist recording with a New York quintet including Randy Brecker and the under-known pianist Dave Kikoski.

• **PAT METHENY GROUP** "Imaginary Day" (Warner Brothers): This is about as much complexity and culture as you will find in that category of music known as easy listening or New Age. The guitarist Metheny keeps finding new ways to construct likable and intelligent commercial music.

Mike Zwerin/IHT

Pat Metheny: Likable, commercial.

MOVIE GUIDE

Nicole Kidman and George Clooney in "The Peacemaker," the first film from DreamWorks SKG.

NETTOYAGE A SEC

Directed by Anne Fontaine. France.

Just think of all that must go on in the provinces, that stifling territory of small-town values where, in today's world, even Charles Bovary might respond to strange stirrings. Jean-Marie (Charles Berling) and his wife, Nicole (Miou-Miou), live in Belfort, where the sun does not shine everyday and horizons are limited. They run — and are run by — a dry-cleaning establishment, working miracles upon soiled finery and mopping up the blood and grime from hospital sheets. Jean-Marie, in thrall to cleanliness and order, is proud of his suave way with a pleat. Nicole is ready for something else. Her eye falls on Loic (Stanislas Merhar), a lost boy whose unbridled blond beauty sends out mixed signals. Loic and his sister Marilyn (Mathilde Seigner), are cross-dressers — Loic plays Sylvie Vartan to Marilyn's Johnny Hallyday. Jean-Marie and Nicole, sucked in by the allure of transgression, go with the tide. They end up adopting Loic, who becomes their pet and apprentice. As in Pasolini's "Theorem," the angel-face stranger explodes the myth of the tight little family. Miou-Miou, who has played many a liberated women, is in her element as the child-wife who springs to life at the call of sex. Berling is transformed in his struggle with inner demons and disorder; he becomes more pinched and perturbed, for he has fallen in love with the outsider. This is not a brand-new story, yet Anne Fontaine's script, written with Gilles Taurand, her vivid sense of characters in free-fall set this provincial house on fire. *(Joan Dupont, IHT)*

THE PEACEMAKER

Directed by Mimi Leder. U.S.

It would be unfair to prematurely dismiss DreamWorks SKG, the new mega-entertainment venture founded by Steven Spielberg (Mr. S), ex-Disney animation czar Jeffrey Katzenberg (Mr. K) and music mogul David Geffen (Mr. G). But three years after its over-trumpeted birth, DreamWorks has only just started to show its face. The gains are modest, thus far. The biggest successes are the TV show "Spin City," and the company's line of computer games. Now comes "The Peacemaker," the film division's much-anticipated debut, produced by Mr. S and directed by Mimi Leder. Let's just say, it isn't the greatest movie to launch a would-be media empire. In fact, this thriller about a renegade missile terrorist, starring George Clooney and Nicole Kidman, never leaves the silo. The $50 million budget may not be much by Hollywood standards. But surely some of it should be apparent on screen. The movie is dull, murky and — despite enough locales for a James Bond film — looks cheap, tentative and small-scale. And director Leder, who made "ER" episodes before this, imposes such sluggishness on her action scenes, she should have retitled this "The Pacemaker." For all its surface attention to nuclear-thriller clichés, the movie has no central human spark. Between them, Clooney and Kidman would still need a third party to work up a personality. In fairness to them, they aren't given much to work with. *(Desson Howe, WP)*

WHEN WE WERE IN LOVE

Directed by Joji Matsuoka. Japan.

Joji Matsuoka is the director of the brilliant "Twinkle" (1992), and while his new film is not quite that good, it is better than most Japanese commercial films these days. This director creates ensemble pieces that examine relationships with insight and honesty. He may start with all the pieces of a genre film but the results are always happily sui generis. Two trendy thirtysomething guys celebrate their getting a new apartment by meeting two trendy twenty-something girls. In the morning the girls move into the new pad though the boys didn't know they were coming. Before long what started as platonic becomes in this crowded flat Aristotelian, but things never go the way you think they will. Pair off the quartet may, but happiness is a long way off and much of the pleasure of this beautifully crafted film is watching just how the director and writer, Hisashi Nozawa, manage to thwart your expectations. *(Donald Richie, IHT)*

EXCESS BAGGAGE

Directed by Marco Brambilla. U.S.

Looking a few pounds heavier and wearing more eye makeup in "Excess Baggage" than in her star-making hit, "Clueless," Alicia Silverstone suggests an Aubrey Beardsley caricature of a Valley Girl with a touch of Brunnhilde. The petulant curl in her lips has deepened into a sculptured cleft. And the changes are enough to have altered Silverstone's idealized everyteen image. Now she is a surreal, zaftig everyteen who seems eerily larger than life. The star's character in "Excess Baggage," Emily T. Hope, alas, isn't a fraction as charming as Cher, her Beverly Hills teenage busybody in "Clueless." The only child of a widowed financier, Emily is an unhappy 18-year-old heiress who fakes her own kidnapping to get the attention of her cold, selfish father. (When we learn that she once set fire to her preparatory school, her impulsiveness seems not simply madcap but possibly psychotic.) Emily's scheme goes like clockwork until the BMW in whose trunk she has been hiding, bound and handcuffed in expectation of an imminent rescue, is stolen by an oafish young thief named Vincent Roche (Benicio Del Toro). Silverstone's pouty all-American brashness counts for little in a film whose flat screenplay doesn't give her a single funny line. Robbed of wit, her character is simply a whining pain in the neck. Del Toro turns in a mumbled raspy performance that is so knotted in affectation (warmed-over Marlon Brando meets Jack Nicholson with laryngitis) that his character doesn't connect to anybody. *(Stephen Holden, NYT)*

ARTS GUIDE

AUSTRIA

VIENNA

Kunsthistorisches Museum, tel: (1) 525-24-403, closed Mondays. Continuing/To Oct. 19: "Gold und Silber aus Mexico." Pre-Columbian gold and silver artifacts.

BELGIUM

GHENT

Musee des Beaux-Arts, tel: (9) 222-1703, closed Mondays. Continuing/To Dec. 14: "Paris-Bruxelles/Bruxelles-Paris." A confrontation of French and Belgian artistic disciplines in the second half of the 19th century: painting and sculpture, graphic art, literature, theater and music, photography, architecture and decorative arts. Victor Hugo, Baudelaire, Courbet, Zola, Manet, Ensor, Seurat, Van Ryssselberghe, Khnopff, Redon, Gauguin, Rodin, Horta and Lalique played leading roles.

BRITAIN

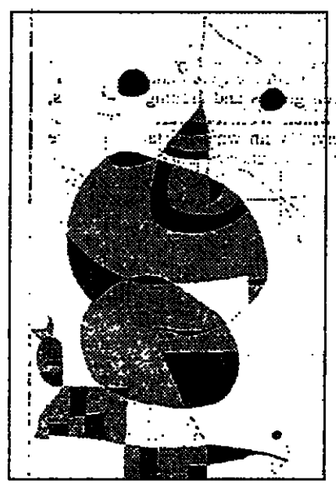
LONDON

British Museum, tel: (171) 323-8525, open daily. To Feb. 1: "Cartier: 1900-1939." The creative years covered by the exhibition witnessed some of Cartier's most original designs, including individual creations in the Egyptian, Indian, Chinese and Japanese styles, as well as the famous clocks.

European Academy & Accademia Italiana, tel: (171) 235-03-03, open daily. To Nov. 16: "The Sacred and the Profane: Josefa de Obidos of Portugal, 1630-1684." The lifelong affiliation of the Portuguese artist with the monastic orders, their liturgy, daily rituals and spiritual life is reflected in the symbolism of her still lifes and religious paintings.

Museum of Mankind, tel: (171) 323-8525, open daily. To Dec. 31: "Patagonia." Drawing upon textual and photographic evidence, the exhibition reconstitutes a world that has nearly vanished, decimated by disease, alcohol and cattle ranchers.

National Portrait Gallery, tel: (171) 306-0055,



A Miro painting shown in Martigny.

open daily. To Jan. 11: "Glenys Barton: Portraits." Barton's ceramic heads and portraits exploit her use of color, texture and an unusual medium to suggest nuances of mood and atmosphere.

Tate Gallery, tel: (171) 887-8000, open daily. To Feb. 15: "Turner on the Loire." In 1826, Turner made an extensive tour of northern France and the Loire valley, during which he drew numerous sketches of the small towns, chateaux and ruins that adorn the region. Also, to Nov. 30: "Mondrian: Nature to Abstraction." More than 80 works tracing the artist's evolution from his early atmospheric paintings to full abstraction in the 1920s.

FRANCE

PARIS

FIAC, tel: 01-44-18-41-41. To Oct. 6: A fair that promotes 20th-century art works. More than 130 French and international galleries exhibit the works of modern artists. One-man shows this year are devoted to Bonnefoi, Matta, Soto, Uta Barth, Nam June Paik and Jeff Koons, among others. One gallery brings together, under the "Essence of Humor" theme, works by Basquiat, Botero, Grosz and Saint-Phalle. Another gallery features Dada and Surrealist portraits and landscapes, with works by Bellmer, Dali, Duchamp, Man Ray, Magritte and Tanguy.

FNAC Saint-Lazare, tel: 01-55-31-20-00, closed Sundays. To Nov. 1: "Gisele Freund: Portraits d'Ecrivains." Approximately 40 color photographs of writers from the 1930s and '40s. Joyce, Yourcenar, Sartre, Zweig, Beckett are among the personalities Freund photographed in their homes or at their working tables.

Musee-Galerie de la Seita, tel: 01-45-56-60-18, closed Sundays. To Nov. 22: "Alfred Hrdlicka: Sculptures et Oeuvres sur Papier." Hrdlicka (born 1928 in Austria) finds his inspiration in war and violence, thus creating portraits that are realistic and expressive. The exhibition features drawings, watercolors and pastels.

Musee du Louvre, tel: 01-40-20-51-51, closed Tuesdays. Continuing/ To Oct. 13: "Kudara Kannon: Une Sculpture du Japon Ancien." A representation of the Boddisattva Kannon, that is a Japanese National Treasure and usually kept in a temple in Nara.

GERMANY

FRANKFURT

Schirn Kunsthalle Frankfurt, tel: (69) 29-98-82-11, closed Mondays. To Nov. 30: "Modern Art in Portugal." The objective of this exhibition is to underline the similarities between the efforts of the artists that undertook the difficult task of introducing new aesthetic principles in Portugal and similar efforts by the Portuguese poet, Fernando Pessoa. The exhibition will travel to Lisbon.

STUTTGART

Staatsgalerie, tel: (711) 212-4050, closed Mondays. To Jan. 11: "Johann Heinrich Fussli: Das Verlorene Paradies." Fussli (1741-1825) was educated in Italy and worked mainly in England and his art is poised between beauty and horror. The exhibition features, among others, a series of 40 paintings illustrating Milton's "Paradise Lost."

A meditative Virginia Woolf portrayed by Gisele Freund.

ITALY

MILAN

Milan Royal Palace, tel: (39) 2375-401, closed Mondays. To Feb 1: "The Maya of Copan: The Athens of Central America." Highlighting the period of greatest splendor of the Maya people and the city of Copan (250-900 A.D.), the exhibition showcases pottery, tools, wall mosaics, jewelry and anthropomorphic figures.

ROME

Capitoline Museum, Piazza del Campidoglio, tel: (6) 6710-2071, closed Mondays. To Jan. 20: "Henri Matisse: La Revelation m'est Venue de l'Orient." Documents the influence of Oriental art in Matisse's work. Over 250 of the artist's paintings, drawings and prints can be seen alongside rare Islamic, Coptic and Byzantine art which Matisse discovered during his extensive travels.

VENICE

Palazzo Grassi, tel: (41) 522-1375, open daily. Continuing/To Jan. 11: "Expressionismo Tedesco: Arte e Societa, 1909-1923." German Expressionists including Beckmann, Dix, Grosz, Kokoschka, Kirchner, Pechstein and Schmidt-Rottluff.

JAPAN

TOKYO

Tokyo Metropolitan Museum of Photography, tel: (3) 3280-0031, closed Mondays. To Nov. 3: "Alfred Stieglitz and His Contemporaries." More than 150 photographs that span the entire career of the American photographer (1864-1946). The founder of the Photo-Secession group, Stieglitz fought for the recognition of photography as a creative art medium. He is best known for the 400-print series of his wife Georgia O'Keeffe, and his studies of cloud patterns.

SPAIN

MADRID

Fundacion Juan March, tel: (1) 435-4240, open daily. To Dec. 30: "Nolde: Nature and Religion." An exhibition of 38 oil paintings and 23 watercolors by the German artist (1867-1956). Apart from the religious motifs for which he is famous, Nolde's other subjects include views of fields, flowers and still lifes. He also painted images inspired by Scandinavian legends.

Museo Thyssen-Bornemisza, tel: (1) 420-39-44, closed Mondays. To Jan. 11: "Joan Miro:

From Tervuren: A Zaire figure of a drummer, in a Washington show.

Catalan Peasant With Guitar, 1924." Focuses on the portrait of a Catalan peasant that is part of a series produced by the artist in 1924-1925. It is shown together with preparatory drawings and earlier oil paintings on the same subject. The years 1924-1925 represent the beginning of Miro's adherence to Surrealism.

SWITZERLAND

GENEVA

Musee Barbier-Mueller, tel: (22) 312-0270, open daily. To April 15: "Arts Rituels d'Oceanie: Nouvelle-Irlande." More than 40 statues, masks and objects from New Ireland, the group of islands that are part of the Bismarck archipelago, north east of Australia.

Musee Rath, tel: (22) 310-52-70, closed Mondays. To Jan. 11: "Egypte: Moments d'Eternite." The exhibition highlights the different genres and periods of Egyptian art, from the 4th millennium B.C. to the Roman occupation, with 200 works of art created by the Egyptians as a means of attaining the world beyond.

LAUSANNE

Musee Cantonal des Beaux-Arts, tel: (21) 312-83-32, closed Mondays. To Jan. 11: "Le Miroir Vivant." The exhibition explores the contradiction between reality and the art it inspires, through the works of Magritte, Broodthaers, Bruce Nauman and Markus Raetz.

LUGANO

Villa Favorita, tel: (91) 972-1741, closed Mondays. Continuing/To Nov. 2: "60th Anniversary Pinacoteca Villa Favorita: Masterworks from the Carmen Thyssen-Bornemisza Collection." 120 works from the collection, including paintings by Giordano, Guardi, Canaletto, Boucher, Fragonard, Goya and 20th-century artists.

MARTIGNY

Fondation Pierre Gianadda, tel: (26) 22-39-78, open daily. Continuing/To Nov. 11: "Joan Miro." A retrospective of paintings, gouaches and watercolors, sculptures and ceramics created by the Spanish painter (1893-1983).

UNITED STATES

NEW YORK

Metropolitan Museum of Art, tel: (1) 212-570-3791, closed Mondays. To Jan. 11: "The Private Collection of Edgar Degas." The collection of art acquired by Edgar Degas (1834-1917). It brings together more than 200 paintings, pastels, drawings, and prints by major 19th-century French artists that had long since been dispersed. Also, to March 1: "Master Hand: Individuality and Creativity among Yoruba Sculptors." Masks, free-standing figures, containers and architectural posts attributed to Yoruba masters from Nigeria and the Republic of Benin, who were active from the mid-19th through the first half of the 20th century.

Museum of Modern Art, tel: (212) 708-9400, closed Wednesdays. To Jan. 20: "On the Edge: Contemporary Art from the Werner and Elaine Dannheisser Collection." More than 80 paintings, sculptures, video installations, photographs and drawings by European and American artists are included in this recent donation. Features works by Carl Andre, Joseph Beuys, Tony Cragg, Jeff Koons, Robert Gober and Sigmar Polke, among many others.

Solomon R. Guggenheim Museum, tel: (212) 423-3840, closed Thursdays and **Guggenheim Museum SoHo,** tel: (212) 42338-40, closed Mondays and Tuesdays: To Jan. 7: "Robert Rauschenberg: A Retrospective." The complementary exhibitions unfold the works of the American artist (born 1925) chronologically, highlighting his painting and sculpture while capturing his practice of working simultaneously in diverse mediums. The downtown exhibition focuses on the work of the last decade, and includes selections of the artist's paintings on metal. The exhibition will travel to Houston, Cologne and Bilbao.

WASHINGTON

National Gallery of Art, tel: (202) 737-4215, open daily. To Jan. 11: "Thomas Moran." Approximately 100 of the American painter's watercolors and oil paintings, including views of the American West. The paintings of Yellowstone by Moran (1837-1926) inspired Congress to establish the first national park in the United States. Also included in the exhibition are Italian, English and Mexican scenes, as well as his little known pre-Raphaelite-style landscapes.

National Museum of African Art, tel: (202) 357-2700, open daily. To Oct. 19: "Treasures from Tervuren." From the Belgian collection of Central African art collected by government officials and missionaries, more than 120 artifacts including objects of royal regalia, masks, figures that hold medicine, and figures representing kings and chiefs. The exhibition will travel to New York, Dusseldorf and Barcelona.

National Portrait Gallery, tel: (202) 357-2700, open daily. To Jan. 25: "Edith Wharton's World: Portraits of People and Places." More than 100 paintings, miniatures, manuscripts and memorabilia from the author's life (1862-1937). Includes portraits of her contemporaries; paintings by Pissarro and Childe Hassam that capture the places Wharton loved such as Newport, Rhode Island, and Venice; and the journal of her visits to the front in World War I.

EUROPEAN TOUR

The National Symphony Orchestra, Washington. In this first tour since Leonard Slatkin became its music director, the orchestra performs in Germany, Austria, The Netherlands, France and England until Oct. 17. The repertoire includes a number of works by American composers Copland, Gershwin and Ives. Emmanuel Ax is the soloist in Beethoven's Piano Concertos No. 3 and 5.

CLOSING SOON

Oct. 5: "Jordanie: Sur les Pas des Archeologues." **Institut du Monde Arabe, Paris.**
Oct. 5: "Ruskin in Japan, 1890-1940." **Museum of Modern Art, Kamakura, Japan.**
Oct. 5: "Monet, van Gogh, Picasso and Others: Highlights from a Collection in The Hague." **Kunsthal, Rotterdam.**
Oct. 5: "The Barbizon School." **Museum of Fine Arts, Gifu, Japan.**
Oct. 5: "Raeburn." **Royal Scottish Academy, Edinburgh.**
Oct. 5: Stuart Davis retrospective. **Peggy Guggenheim Collection, Venice.**
Oct. 5: "Ruskin in Japan, 1890-1940." **Museum of Modern Art, Kamakura, Japan.**
Oct. 5: "Charles Camoin, 1879-1965: Sous le Signe de Cezanne et du Fauvisme." **Fondation de l'Hermitage, Lausanne.**
Oct. 5: "Jeff Wall." **Museum of Contemporary Art, Los Angeles.**
Oct. 6: "L'Imperatrice Josephine et les Sciences Naturelles." **Musee National du Chateau de Malmaison, Rueil-Malmaison, France.**

BOOKS

LITERATURE LOST: Social Agendas and the Corruption of the Humanities

By John M. Ellis. $25. Yale University Press.

Reviewed by Jonathan Yardley

JOHN M. ELLIS has written, in "Literature Lost," a trenchant if upon occasion bombastic account of how "political correctness" rose from the ashes of the 1960s and a lucid analysis of its effects on academia. "Literature Lost" is an eloquent, passionate plea for the "wider world" to engage itself with academia and bring it to its senses, lest literature and the arts be trampled beyond recognition by the armies of the alienated professoriat.

This is a closely argued book, but the general reader will rarely find it dense; the exception is a chapter about literary theory, *though Ellis is far more comprehensible than any of the theorists whose work he attempts to explain.* Otherwise, his line of reasoning is clear and the arguments he assembles in support of his broad positions are tight. A professor emeritus of German literature at the University of California, Santa Cruz, Ellis has spent his life in academia; he knows whereof he writes.

The essence of Ellis's argument — some of which, to be sure, is familiar — is that in the space of barely a couple of decades "academic literary criticism has been transformed," from traditional inquiry into the meaning and importance of works of literature and "the profundity of the questions they raised," to an obsession with political power, a conviction that "the universities should have an overtly political function, work directly for social and political change, and inculcate a particular political viewpoint in their students."

This obsession takes various forms: an insistence on reducing every work of literature to race, gender and class; a paranoid sense of victimization and oppression, the victims including the professors themselves as well as those unfortunates whose causes they allegedly espouse, and a vehement hostility not merely to what they see as imperialist America but also to "business and the middle class." All of this got started during the 1960s. What is relatively new, and intellectually calamitous, is that it now dictates the way literature is read and taught in American higher education.

Ellis catches the new academic critics in a telling hypocrisy: An academic culture that claims to foster "diversity" within itself and society is implacably antagonistic to literature's diversity, insisting that it can only be read with regard to race, gender and class and has merit only as it advances the academy's ideology. "If we are determined to take from literature only the attitudes that we bring to it," Ellis writes, "it ceases to have any point." But then it may never have had any point for many in the new generation of scholars, for much evidence suggests not that they love literature — with its unanswerable questions posed with such ardor and eloquence — but that they "have no real interest in what literature might say, only an interest in what they can use it for."

FOR all their agility in debate and for all their impenetrable, indigestible jargon, these critics know surprisingly little. They pontificate about politics, science, criminology and economics, yet few with serious knowledge of these matters are known to read them with interest or respect. Their naïveté can be sublime; they seem unaware that the business of civilization "is to find a way to keep human nastiness in check, not to avoid interfering with the natural occurrence of human sweetness," so they inhabit "a fantasy world in which good intentions and moral superiority should be enough to make any society just and to abolish the barriers to equal outcomes." Knowing so little as they do, they are prone to reductionism at every turn, "isolating a single factor among many in a given situation and then ignoring all the others in order to reduce — and so distort — a complex state of affairs to that single factor."

To be precise: race, gender and class. These are the near horizons beyond which the critics cannot see. One by one, Ellis examines them, and one by one he destroys them. Feminism, a necessary and legitimate movement, has been sabotaged by academic radicals who make "destructive attacks on the allegedly exploitative character of the traditional family and of male-female relationships," with the result that it "is losing support among men and women alike and is in danger of isolating itself in angry campus enclaves, where its slide into ever greater unreality can continue unchecked."

Race, the most important and troubling question on the American agenda, becomes, "in the upside-down world of race-gender-class scholars," an issue of the moral culpability of "the North Americans who tore their society apart to fight what proved to be the decisive battle in the defeat of slavery, the *American Civil War*"; *the remedy given for* inequities that persist is affirmative action, which "encourages people to see themselves primarily as members of a group" and thus encourages "tribal thinking, with all of its destructiveness," and which, alas, prompts Ellis to some rather excessive tirades about a subject that is more complex than he seems to understand.

As for class, these critics' understanding of it is rooted firmly in Marxism, which they are drawn to "because it offers classifications for victim and victimizer, but the fluid structure of modern America looks very different from the rigid 19th-century European class system that Marx made the basis of his political theory."

Ellis is given, unfortunately, to invective, which is to say that from time he gets into the mud with the opposition. But that must not distract us from what he has written, an acute analysis of "a startling decline in the intellectual quality of work in the humanities and a descent to intellectual triviality and irrelevance that amounts to a betrayal of the university as an institution."

Washington Post Service

BRIDGE

By Alan Truscott

IN play and defense, most of us think in terms of solving problems. But great players think in another dimension: How can problems be created for the opposition?

A simple but elegant example is the diagramed deal, played in the 1997 Cap Gemini World Top tournament in The Netherlands. The North-South hands offer a fair play for six spades. The slam needs a winning heart finesse and a 2-1 trump split. Some pairs bid six spades and were duly defeated.

The top Dutch partnership of Berri Westra and Enri Leufkens sat North-South and did well, as shown, to put on the brakes in five spades. South's cue-bid of five diamonds alerted North to the likelihood of duplicated values and therefore the prospect of losers in the unbid suits. It seems easy to make 11 tricks.

Unluckily for North-South, their East-West opponents were Gabriel Chagas and Marcelo Branco of Brazil, who were en route to victory in the tournament.

A club was led to the ace, and Chagas shifted shrewdly to the heart jack. This created an unpleasant dilemma for South: Anything he did could be wrong. It was extremely likely that East held either a singleton heart or a doubleton king-jack. If the former, it was vital to take the ace, averting a ruff, and hope for a normal 2-1 trump split. Leufkens quite reasonably followed this course and was defeated.

With the actual layout — with the heart finesse succeeding but the trumps not splitting — the winning play was to finesse. Chagas was happy to collect 50 points and then endorse his opponent's playing decision.

NORTH
♠ A K 9 5
♡ 10 9 8
◇ A K 5 4
♣ K J

WEST(D) — EAST
♠ — / ♠ Q 10 3
♡ 8 5 4 2 / ♡ K J
◇ J 8 7 6 / ◇ Q 10 9 3 2
♣ 10 9 7 4 3 / ♣ A 6 5

SOUTH
♠ J 8 7 6 4 2
♡ A Q 7 6
◇ —
♣ Q 8 2

Neither side was vulnerable. The bidding:

West	North	East	South
Pass	1 ◇	Pass	1 ♠
Pass	2 N.T.	Pass	3 ♡
Pass	4 ♠	Pass	5 ◇
Pass	5 ♠	Pass	Pass
Pass			

West led the club ten.

هكذا من الأصل

LEISURE

In Paris, a Muted Season Ranges From Verdi to Germania

By Craig R. Whitney
New York Times Service

PARIS — As the cooling breezes of autumn sweep gently into Paris, blowing the fallen chestnuts and plane-tree leaves along curbs, the streets fill once again with traffic and the city comes out of its summer torpor.

This year, it has been an especially poignant time, shadowed by the death on Aug. 31 of Diana, the Princess of Wales, and her companion, Dodi al Fayed, in a crash in a road tunnel under the Place de l'Alma. Mourners have created a memorial to Diana at the site on the Right Bank of the Seine, strewing flowers on the embankments leading into the tunnel and before the gold-leaf life-size copy of the Statue of Liberty's torch that stands over its western end.

So, too, the fall cultural season is unusually reflective on several levels, some of it centered in one way or another around what has been and continues to be one of the most important relationships in Europe, the one between France and Germany.

"Marianne et Germania" exhibits 350 paintings, sculptures, documents, and graphic and decorative artworks on the passions, for good and ill, that France and Germany aroused in each other from the French Revolution through the end of the 19th century. It opens Nov. 8 in the Petit Palais.

In its first Paris appearance in two years, the Berlin Philharmonic under Claudio Abbado will perform Verdi's "Requiem" Oct. 20 and 23, Mahler's "Resurrection" Symphony on Oct. 21, and a program of Schubert's Symphony in C major and Schumann's Piano Concerto with Murray Perahia on Oct. 24 at the Salle Pleyel (33-1) 45-61-53-00. Tickets: $118 to $200 for Verdi, $105 to $171 for Mahler and the Schubert-Schumann program; all performances at 8:30 P.M.

An exhibition of 42 works of the 17th-century painter Georges de La Tour, practically his entire known oeuvre and the biggest such retrospective in 25 years, is at the Grand Palais until Jan. 26. The exhibition includes some long-lost works recently acquired by museums from private collections. Information: (33-1) 44-13-17-30; reservations, 49-87-54-54.

A retrospective of Pierre-Paul Prud'hon's allegorical paintings of the Revolution and the Empire eras, also at the Grand Palais, runs until Jan. 12 before moving to the Metropolitan Museum of Art in New York in March.

Debussy's "Pelleas et Melisande," in Robert Wilson's spare production in which the lovers never touch, not even once, returned to the Opera Garnier to open the season under James Conlon's direction. A new Jorge Lavelli production of Franz Lehar's "Merry Widow" has its premiere on Dec. 1. Tickets: $10.45 to $111. Tel: (33-8) 36-69-78-68.

At the Opera Bastille, a highlight of the season is a new Francesca Zambello production of Puccini's "Turandot." Tickets: $10.45 to $111.

Montmartre is as big a tourist draw as the Louvre, Notre-Dame or the Eiffel Tower, but it has its quiet, contemplative side, away from the Place Pigalle and what Henry Miller called the "heavy, somnolent whiteness" of Sacre-Coeur basilica. The painters flogging canvases around the nearby Place du Tertre nowadays obscure the fact that there once was a real artistic and literary life on the hill named for three early Christian martyrs. Some idea of it can be seen by walking up the steps behind the Lamarck-Caulaincourt Metro station to Rue Saint-Vincent, which brings one directly to the Lapin Agile bistro and, opposite it, the last working vineyard in Paris. The long-undrinkable wine, which has been improving, can be bought in the Mairie (City Hall) of the 18th arrondissement.

A Rural Oasis

The vineyard is a rural oasis that inspired artists like Modigliani and Utrillo, who used to hang out in the bistro. The grape festival, with a colorful outdoor ceremony, takes place Saturday and Sunday. Up the hill behind the vineyard is the rambling Musee de Montmartre, the house at 12 Rue Cortot where the painter Emile Bernard had his studio upstairs; (33-1) 46-06-61-11. The original rabbit in a stewpot that gave the Lapin Agile its name is on display, along with other memorabilia. A feast for the eyes, finally, is available free on the esplanade in front of Sacre-Coeur, with all Paris spread before you.

On the Left Bank, behind the Pantheon, is a jewel of the late Middle Ages and the French Renaissance — the Church of Saint-Etienne-du-Mont on Place Sainte-Genevieve. The church, begun in 1492 and finished in 1626, is Gothic in floor plan but exquisitely Renaissance in execution, all in cream-colored stone. Its rood screen, the only surviving example in Paris, is a graceful undulating stone construction between the nave and the choir that looks almost like an Art Deco bracelet. The church also has splendid original Renaissance stained glass.

In the 16th arrondissement, the Marmottan Museum, (33-1) 44-96-50-33, in a leafy alcove at the edge of the Bois de Boulogne, has an astonishing collection of hundreds of medieval miniatures. But the museum is most worth visiting for its collection of 100 paintings by Monet, one of which ("Valley of Sasso, Sun Effect, 1884") is on loan to the Monet show opening Oct. 10 at the Brooklyn Museum of Art. An exhibition on the life and work of the painter Berthe Morisot is scheduled to open at the Marmottan on Friday and is to run to Feb. 28.

The Buddha Bar, 8-12 Rue Boissy d'Anglas near the Place de la Concorde, (33-1) 53-05-90-00, is the hot Paris place of the moment, its enormous two-story downstairs room dominated by a huge statue of Buddha in the meditating position. The food is somewhere between Asian and French, with spring rolls, sashimi, marinated beef grilled Korean style, and plain Western dishes like lamb chops, but people come for the ambiance, the later the better. Dinner for two with wine, $157.

THE CAR COLUMN

Citroen Xsara: The Legend Ends

By Gavin Green

IF the new Xsara weren't a Citroen, I'd like it a lot more. But the Citroen brand breeds expectations, based on past models that were indubitably among the world's most innovative cars. And when your curriculum vitae includes the 1934 Traction Avant (the world's first mass-produced front-wheel-drive car, monocoque construction, radial tires), the shark-shaped 1955 DS (very possibly the biggest single leap in motoring history) and the GS (which, when launched in 1971, set a standard for ride comfort and braking ability that is still largely unmatched in the Escort/Golf class), there are bound to be problems in trying to keep up the pace.

Unfortunately, the new Xsara fails to make the list of legends. Even worse, this time Citroen wasn't even trying.

The new-look Citroen, now owned by its erstwhile rival Peugeot, is a wholly different company from Andre Citroen's band of pioneering idealists. While the rest of the auto industry seems hell-bent on serving up more interesting shapes and more distinctive cars — and backs that up with aspirational advertising that rants on about sex appeal and individuality — Citroen is going the other way. A company that once made the most individual and intelligently conceived cars in the world, is now prostrating itself before the altar of conventionality.

One in the Crowd

There is absolutely nothing wrong with the new Xsara. If it were made by a Japanese company or one of the less distinguished European makers (and the, truth is, such is its want of individuality, it could be), then it would be lauded as a spacious, comfortable, soft-riding small hatchback, not the best car in the class, but not far behind. As with its equally unadventurous predecessor, the ZX, on which it is closely based, the Xsara will undoubtedly be reliable and easy to own.

Individuality can work two ways, of course, and it's true that many motorists could never get along with those older Citroens, which, while historically significant in the evolution of the car, could sometimes be irritatingly quirky. It was a bit like living with a slightly eccentric genius: uplifting one moment, frustratingly unconventional the next.

STRUGGLES IN THE MARKET This avant-gardism never really bothered the French, who are probably the most sophisticated car buyers in the world. But it was a major turn-off in less cultured car markets, where what really was wanted was a reliable set of wheels. Citroen, predictably, floundered in the United States (nowadays, it isn't even sold there), and, more worrying for the maker, struggled in major northern European markets such as Britain and Germany.

So, voila! About-face! Recent Citroens have been utterly conventional, both mechanically and stylistically, about as adventurous as a red-brick bungalow. They are cars that reassure owners with their familiarity rather than motivate rivals with their farsightedness, cars that conform rather than challenge.

Unfortunately for Citroen, just as it is winning its spurs for honesty and straight-forwardness, buyers are demanding that extra something. Reliability and good quality are now givens; that little bit of extra style and personality is what's needed.

Which is not to say that the Xsara isn't your kind of car. It handles tidily, goes briskly, is not extravagant with fuel, and is one of the roomiest in the sector. The trunk is large and has at least two bright ideas that prove that the spark of creativity, once Citroen's trademark, hasn't been completely extinguished. The trunk lid has the best designed handle I've ever used, and the rear parcel shelf has an ideal home: upright, slotted behind the rear seats. Those folding rear seats can also be locked in place, to isolate the trunk and thus prevent thievery. Another nice touch: There are big red indicators in the rear doors when the child locks are not in place.

The anonymous exterior — it could so easily wear Nissan or Hyundai or Toyota emblems — is matched by an interior that is so free of imagination that it almost looks like an afterthought, as though a couple of Peugeot part-timers designed it on the cheap. At a time when most rival makers — not least VW, Ford and Fiat — consistently display at least one big idea in cabin design for new models, the Xsara's interior is totally underwhelming. As with the rest of the car, it does the job — but nothing else.

EVEN the turbodiesel engine in the test car was disappointingly ordinary. Citroen, along with its Peugeot masters, once mastered the art of diesel motors. No longer. Newer, more hi-tech offerings — not least from Volkswagen — have forged ahead.

These days, average just isn't good enough.

- Citroen Xsara 1.9TD. About $22,000. Four-cylinder, turbocharged diesel engine, 1905cc, 90 BHP at 4,000 rpm. (1.4, 1.6, 1.8 gasoline engines available). Top speed: 177 kph (110 mph). Acceleration: 0-100 kph in 11.7 seconds. Average fuel consumption: 6.6 liters/100 km.

Next: The Seat Arosa

Gavin Green is the editor in chief of Car magazine.

A Pilgrim's Path in Norway

By Diane Jacobs

FREDRIKSTAD, Norway — Last year I set out on an eight-day trip along the southeastern coast of Norway in the footsteps of the 18th-century British author Mary Wollstonecraft. Wollstonecraft had made this journey two centuries earlier and movingly described it in her last finished book, "Letters Written During a Short Residence in Sweden, Norway and Denmark."

I'd chosen to visit only Norway, since it had more powerfully affected her than the other two countries. Though she is best known for her ardent "A Vindication of the Rights of Woman" (1792) — one of the first feminist declarations in English — Wollstonecraft was also a superb travel writer, foreign correspondent and novelist. Inspired by the Enlightenment, she embraced the ideals of the French Revolution and eventually became a torchbearer for the English Romantics including her own daughter Mary Wollstonecraft Shelley, who also left London in search of a more perfect world.

Mary Wollstonecraft arrived in Norway in early July 1795 disillusioned by the last stages of the French Revolution and literally sick with love for an unfaithful man, the American writer and businessman Gilbert Imlay. She had agreed to go to Scandinavia on a business mission for Imlay, but her real goal was to regain the passion to write.

Like Wollstonecraft, I was ill when I landed in Norway and spent my first morning in an Oslo health clinic, where a doctor wielding state-of-the-art calibrators and pincers restored my ability to hear. The clinic was well staffed, attractive and free for all Norwegians. (I, however, was charged $145.)

I was traveling with a friend who had no particular interest in Wollstonecraft but was eager to explore Norway's lesser-known southeastern coast. Together, we spent our first afternoon sightseeing in Oslo under a bright May sun.

South to History

By the next day the weather had turned cold. But wrapped in down parkas, we boarded a comfortable train for the hour-and-a-quarter ride to Fredrikstad, where Wollstonecraft had stopped for the night on her way south. The train sped smoothly past green farmland and dense forests of aspens and evergreens.

The meticulously preserved island town of old Fredrikstad is worth a visit on its own account. Three minutes by ferry from the modern city, this 16th-century fortress retains its moat, drawbridges and barracks. Around the cobblestoned central square stand the sort of traditional shingled wood Norwegian homes, capped with jaunty red-tile roofs, that the author admired.

A shopkeeper explained that Fredrikstad looks much as it did in Wollstonecraft's era, when merchants lived in the stone houses by the ferry stop. And while we seemed to be the only visitors this windy afternoon, Fredrikstad is a favorite summer tourist stop. Hence, a 1567 stone wine cellar has been transformed into Peppe's Pizzeria, with children's toys lurking in its ancient niches and "Real American Pizza" emblazoned on the menu. The goat cheese special was first rate.

The next day we headed off on the longest leg of our journey, from Fredrikstad to Tonsberg. It's no distance at all as the crow flies, but the train, boat and bus ride required took half the day. Getting around on the tourist-friendly west coast is considerably simpler, but we enjoyed being pioneers — particularly when our rickety bus took a sudden lurch, revealing a coastline of jutting rocks and logs swooshing down a fierce-blue fjord toward a paper factory.

TONSBERG, Norway's oldest settlement, was where Wollstonecraft spent her three happiest weeks in Scandinavia. "You will be surprised to hear me talk of liberty," she wrote Imlay, "yet the Norwegians appear to me to be the most free community I have ever observed." There was no primogeniture, no feudalism; all the farmers tilled their own small plots of land, and imprisonment was for major crimes only, she reported enthusiastically.

The Vestfold Fylkesmuseum (Folk Museum), I had been told, contained a superb collection of Norwegian art and

Norwegian Tourist Board

In old Fredrikstad, a preserved 16th-century island town.

artifacts. We were not disappointed. I quickly found a portrait of red-nosed Jacob Wulfsberg, the Tonsberg mayor who, for Wollstonecraft, epitomized Norway's egalitarian spirit. My friend discovered a plaque and, appropriately, a bowl from St. Maria's Church (no longer standing), where the author attended services. But when we'd exhausted the treasures of the museum, I was at a loss about how to proceed. Where was the stream that Wollstonecraft swam in daily to restore her physical strength? Where were the homes she visited when she overcame her fevers and began making friends? And what of the little house where she stayed for nearly a month, regaining her confidence and producing some of the most lucid and elegiac writing of her career? Wollstonecraft's letters gave me few geographic clues.

Wondering where to go next, we wandered into the museum bookshop, where a serendipitous event occurred. My friend called to me, "Look, I've found a book on Mary Wollstonecraft!" Just then a petite, white-haired woman walked in the door. Her name was Ursula Houge, and she was a tourist guide who had recently created an itinerary for Swedish feminists wanting to see the sites Wollstonecraft visited during her Tonsberg stay. Houge had spent six months researching all the local history about the author's visit.

So we saw everything — from Wollstonecraft's swimming rivulet, on the outskirts of town, where residents still travel to collect the best water, to the great yellow mansion of the Earl of Jarlsberg, who invited the author to dine. I was particularly pleased when Houge identified a beautiful, old red wooden building as the home of Wollstonecraft's French expatriate friends, who sat with her on their porch wistfully singing songs of the French Revolution. But the high point of the afternoon came when we parked in the poorer section of town and wandered along the water to the oldest house in Tonsberg (circa 1720).

Houge told us this was thought to be Wollstonecraft's wooden cottage. The thick logs at the back are from the original building, and gazing at the long, white-trimmed windows, I could nearly imagine her writing inside.

Our final stop was at Slottsfjellet Park where Wollstonecraft sat and mused near the battered remains of a 13th-century castle. The sweeping park is filled with dandelions the size of small sunflowers and overgrown grass poking up between gray and red boulders. Farther out are fjords and black ever-green groves and arching mountains, of which Wollstonecraft wrote effusively: "With what ineffable pleasure have I not gazed — and gazed again, losing my breath, through my eyes." Her love of nature as well as ideas was bringing her back to life.

The New York Times

She had sat daydreaming on this hilltop, so we felt it was improper when we rushed off to catch a 5 P.M. train. We wished we could have stayed a day longer, and promised to compensate for the deprivation with a leisurely dinner when we reached the restaurant in our hotel in Larvik, some 40-odd miles south.

LITTLE remains of Wollstonecraft's 18th-century world in large, modern Larvik. After Tonsberg, she found her brief stay here disillusioning. "My head turned round, my heart grew sick, as I regarded visages deformed by vice," she wrote of the lawyers she'd been sent to do business with. She was similarly disdainful of Herregarden, a grand estate built in 1677 for the Danish governor Gyldenlove. The exterior is simple wood and looks Norwegian, while the inside is a hodgepodge of Continental styles. Wollstonecraft disparaged Herregarden as the overly opulent estate of indifferent foreign rulers. But I was amused by this cheeky manmade showpiece, boldly facing off the serene fjords down the road. A guide in peasant costume led us through the grand halls and bedrooms filled with marble and gold, which in fact aren't marble and gold at all, but wood cleverly finished.

SPECTACULAR TRAIN RIDE Leaving Larvik, we sped toward our final two days of rest in rural tranquillity. The farther south we traveled, the more extreme the Norwegian landscape became. This last train ride was our most spectacular. Rocks jutted higher, the trees grew taller, the fjords clamored more thunderously as we headed down the coast. Of her voyage from Larvik to Risor, Wollstonecraft wrote two centuries ago: "The view of this wild coast, as we sailed along it, afforded me a continual subject for meditation. I anticipated the future improvement of the world and observed how much man had still to do, to obtain of the earth all it could yield."

Now a popular summer resort, Risor consists of about a hundred houses, all white, that twist through the boulder-filled land like bleachers. We arrived on a cold, clear night. We dropped our bags at our hotel and began climbing a steep embankment, then stopped at a large rock painted white in the 17th century to show sailors the way to the port.

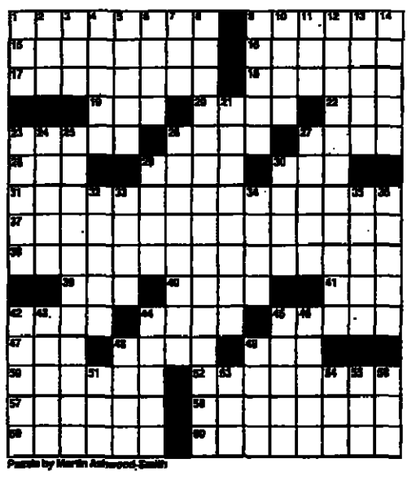
The fjord below was intensely blue. We were encircled by tiny islands. Sailboats and brown-feathered swans lolled in the harbor. Here I felt the peace I imagine Mary Wollstonecraft found, escaping everyday life and embracing the larger picture.

Diane Jacobs, who is writing a biography of Mary Wollstonecraft, wrote this for The New York Times.

CROSSWORD

ACROSS
1 It works like a charm
9 Undertone
15 Former Big Apple mayor
16 Drill bit?
17 Saskatchewan city
18 Item of biblical attire
19 Touchdown point?: Abbr.
20 Porgy and bass
22 Foreign V.I.P.
23 Recreation center staple
26 Loudness unit
27 Ariz. neighbor
28 Music sheet abbr.
29 Seal
30 Comedian Howard
31 Tercel
37 An angry speaker might make it
38 Two-time Masters champ
39 Palindromist's preposition
40 Old Dodge
41 Bank accrual: Abbr.
43 More than a miss
44 Marshlands
45 Baltimore team, in sportspeak
47 Large copier
48 Hirsch of "Taxi"
49 Actress Meyers
50 Polar wear
52 Christopher Marlowe drama
57 Game keeper?
58 Western Sahara, once
59 They're great on Triple Letter Scores
60 Drummer

DOWN
1 Skye cap
2 Blood letters
3 Constellation near Hydra
4 "Ghosts" writer
5 Mind
6 Goya depiction
7 Health-care lobby grp.
8 St. John's people
9 Billiard stroke
10 1945 Roy Rogers-Dale Evans western
11 Half a cartoon duo
12 1943 Greer Garson title role
13 Lexicographer's concern
14 "Chill!"
21 Calculator display
23 See 24-Down
24 With 23-Down, "Zorba the Greek" actress
25 "See ya!" overseas
28 Out of harm's way
27 "Q & A" star
29 Sp. title
30 Trestletree site
32 Filer
33 Kotter of "Welcome Back, Kotter"
34 Ending with song
36 Town NE of Bangor
39 Coveys
42 Two-mile-high capital
43 Not counting, with "from"
44 They may be blown in boxes
46 Calling
46 Dad's rival
46 Nephrite
46 In trouble, in the Army
51 — Kan
53 Cinco de Mayo, e.g.
54 Monk's title
55 "Ça —" (French revolutionary song)
56 Charged bit



Puzzle by Martin Ashwood-Smith

© New York Times/Edited by Will Shorts.

Solution to Puzzle of Oct. 2

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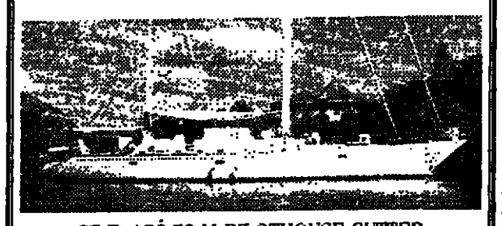

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WorldCom Chief: The Next Telecom Revolutionary?

By Steve Lohr
New York Times Service

NEW YORK — Bernard Ebbers, the blunt, folksy 54-year-old chief executive of WorldCom Inc., is an entrepreneurial stepchild of the telecommunications revolution set off by the breakup of AT&T Corp. just over a dozen years ago.

His rise to become head of the fourth-largest U.S. long-distance telephone company is a testimony to the opportunities created in 1984 by opening the long-distance market to competition.

Consider the unlikely trajectory of Mr. Ebbers's career: A high school basketball coach in the early 1970s, he went into the motel business and then invested in a small, nearly bankrupt long-distance reseller in the mid-1980s.

Since then, Mr. Ebbers has strung together roughly 50 acquisitions to make WorldCom a $7 billion-a-year company — one in a powerful position to compete in the current telephone business and poised for the future as the Internet and telephone communications converge.

Now, with his $30 billion bid for MCI Communications Corp., Mr. Ebbers is pursuing the second-biggest long-distance carrier — and the company that forced the AT&T breakup. The antitrust suit brought in 1974 by MCI and its founder, William McGowan, and later joined by the Justice Department eventually brought about the dismantling of the Bell telephone system and opened up the long-distance market to competition.

At that time, MCI was the revolutionary of the telecommunications industry.

Today, WorldCom has a similar look, though in a different context.

WorldCom is moving aggressively into what many industry executives regard as the future — the inevitable push of the digital technology of the Internet into the traditional telecommunications business.

That is why WorldCom, as a fast-moving company on the frontiers of telecommunications, has been called by analysts "the communications company of the future" and it is why Mr. Ebbers has been compared to MCI's Mr. McGowan, who died in 1992.

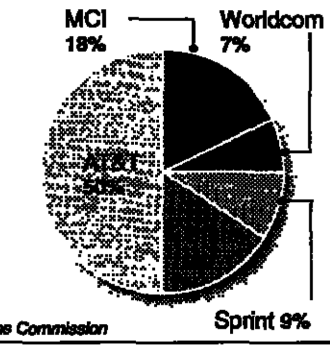
"Bernie Ebbers is the Bill McGowan of today," said Howard Anderson, managing director of the Yankee Group, a research firm in Boston.

The early signs of the digitization of telecommunications are already evident, mainly in the business market. Companies are big buyers of so-called data services, in which electronic

See EBBERS, Page 14

Still No. 2

Based on 1997 first-quarter revenues, MCI Communications and Worldcom would together control a quarter of the long-distance telephone market, but MCI would remain a distance second to AT&T.



Source: Federal Communications Commission

NYT

Marty Lederhandler/The Associated Press

WorldCom chief Bernard Ebbers after 50 acquisitions.

WorldCom's Shares Rise on Bid for MCI

Compiled by Our Staff From Dispatches

NEW YORK — Shares of WorldCom Inc. were sharply higher Thursday on optimism that the company's $33.88 billion offer for MCI Communications Corp. would be accepted.

WorldCom's shares were at $37.75, up $3.375. Investors expect WorldCom's offer, which surpasses a competing agreement between MCI and British Telecommunications PLC by almost $10 a share, to be completed.

"There's no one in the world who wouldn't want to trade in a pig for a stallion," said William Vogel, analyst at Montgomery Securities Inc. "The deal stands on its own two feet."

In Singapore, meanwhile, a WorldCom executive said the company's ambitions extended further than the MCI deal and could encompass aggressive expansion in Asia, which the executive described as "our new playground."

The company's deputy chairman, John Porter, was in Singapore to announce a partnership with SembCorp., a local conglomerate, and the state-owned railway system Singapore MRT Ltd. to bid for a license to operate a national fixed-line telephone network beginning in April 2000.

He said WorldCom would grow quickly and would consider investments in all Asian markets.

"We look at Asia as a major growth region in the telecommunications industry, if not the major growth region," Mr. Porter said.

Colin Williams, head of WorldCom's international division, said the company expected to move into many Asian markets over the coming years, using what he described as its lead in data communications and the Internet.

WorldCom owns UUNet Technologies, the world's biggest Internet service provider, and recently bought CompuServe Corp.

Neither BT nor MCI has said how it will respond to Wednesday's offer.

MCI's board discussed the WorldCom offer at its regular meeting Wednesday, but the directors have not said when they will next meet, said Judith Whittaker, Hallmark Cards Inc.'s general counsel and an MCI director.

Shares of other telecommunications companies also rose as investors took an optimistic view of how a WorldCom-MCI merger would affect competition in the global industry.

France Telecom, Deutsche Telekom AG and Sprint Corp. of the United States are linked in the Global One alliance, which competes with AT&T Corp.'s Worldpartners and would be a rival of the proposed MCI-BT link.

If the WorldCom offer for MCI succeeds, it would dwarf Global One in the United States. But if the merger broke the MCI link with BT, Global One would have better coverage of two key European markets, France and Germany, analysts said.

(Reuters, Bloomberg, AFX)

Risk Arbitragers Are Lying Low on This Deal

By Sharon R. King
New York Times Service

NEW YORK — Speculators who bet on takeovers are usually gleeful when they see a new deal, and their reaction to WorldCom's surprising $30 billion bid for MCI Communications was no exception.

Their glee helped push shares of both MCI and WorldCom higher Thursday, a day after the bid.

But this group of high-stakes investors, who are known on Wall Street as risk arbitragers, also reacted cautiously as they assessed the deal.

One reason, several said, was that there were still doubts about the viability of the offer, especially since it could take some time before it was clear if WorldCom can wrest MCI away from British Telecommunications PLC.

But another reason is that many speculators apparently lost a lot of money when they bet on the successful takeover of MCI by British Telecom and were then upended when the British company reduced its bid for MCI in August by 22 percent.

"A lot of times when arbs get burned, they don't want to see a deal again," said Eric Longmire, research director at Wyser-Pratte & Co., a longtime player in takeover stocks.

"Let's just say you're XYZ investment banker and you took a $100 million loss on MCI, and you're fighting for your job," Mr. Longmire said. "Do you think you can go back to your boss and say, 'We should buy it again'? No, you're going to lay low." He said his firm did not buy MCI shares after Wednesday's bid by WorldCom.

Arbitragers buy the stocks of target companies after a takeover has been announced, but while there is some doubt whether the deal will be completed. They hope to make money as the shares of the target rises. They can also try to profit on a decline in the stock of the would-be acquirer.

"It's still a proposal, not a deal," said a risk arbitrager who spoke on the condition that neither he nor his firm be identified. "It could take up to six months to consummate the deal," he added, and the final price "will depend on where WorldCom is trading six months from now."

Instead of betting heavily on the latest offer, his firm purchased only a small number of MCI shares Wednesday, he said.

Seoul Helps Out Securities Firms

$373 Million Capital Injection Also Will Aid Investment Banks

Bloomberg News

SEOUL — The central bank said Thursday it would inject money into local securities companies for the first time, extending a helping hand it had already offered to South Korea's battered banks and investment banks.

The central bank agreed to buy 340 billion won ($372.6 million) of bonds that the companies will have to buy back later, a move triggered by investors who have emptied their brokerage accounts as stocks prices have plummeted this year.

By aiding companies that otherwise would have to tap money markets for funding, the central bank will indirectly be helping investment banks as well. Investment banks have been hit the most by a string of recent bankruptcies in South Korea because they often lend money to companies without securing collateral.

"The main beneficiaries will be investment banks, not brokerage firms," said Park Ki Sun, a bond trader at Hanwha Securities Co. in Seoul. "It will eliminate major borrowers in the money market, encouraging banks to lend money to cash-strapped investment banks."

In a separate development, Standard & Poor's Corp. cut credit ratings for three South Korean commercial banks — Hanil Bank, Shinhan Bank and Korea Exchange Bank — citing declining profitability, insufficient loan provisions and below-average capital ratios.

"The rating actions reflect the heightened risks resulting from a series of large-scale bankruptcies and the ongoing stress faced by the largest Korean conglomerates," S&P said.

Five of South Korea's top 40 conglomerates went bankrupt or were placed under bankruptcy protection this year amid slow economic growth caused by slumping exports and squeezed cash flows after years of expansion.

"The old saying was that the big horse doesn't die," said Hank Morris of Coryo Research Institute. "That old paradigm is breaking down."

S&P estimated that as many as 14 percent of the loans at South Korea's eight leading commercial banks might be bad. Recent measures by Seoul to reduce bad loans and improve bank finances "alleviate to some extent the pressures faced by banks," the American credit-rating company said.

The central bank's decision to inject money into securities firms comes as deposits at brokerages, a key source of their funding, declined to 2.5 trillion won this week from as high as 3.5 trillion won in late June. The wave of bankruptcies culminating in the problems at Kia Group has shaved 20 percent off the benchmark stock index in three months.

"We decided to take an extraordinary action to curb rising lending rates," Seo Young Shik, an official at the central bank, said. "Kia's crisis is disturbing the capital markets, pushing up lending rates and denting the stock market."

The cash injection will be through the Bank of Korea's purchase of public bonds with a nine-day repurchase agreement from local brokerage houses in an open bid, the central bank said.

Overnight lending rates, a benchmark indicator of short-term lending costs, were at 14.2 percent Thursday, nearing the year's high.

"There are securities firms that took it on the chin by guaranteeing bonds issued by Hanbo, Kia and the like," Mr. Morris said.

Seoul also relaxed regulations for buying stocks on credit to protect investors from sudden declines.

Starting this month, investors who buy shares on margin, or with loans from their brokers, will be able to sell them the same day, said Chung Woon Yong, an official at the Securities Supervisory Board. In the past, investors who bought shares on margin had to wait a day before they could sell them.

Because stocks can rise or fall as much as 8 percent a day under stock exchange rules, margin investors stood to lose as much 16 percent before they could sell their holdings.

Dubai Traders Get U.S. Goods to Iran

By Barry May
Reuters

DUBAI, United Arab Emirates — By day and by night, men sweat under the weight of cargo being loaded aboard small wooden dhows on the creek that runs through this Arabian desert city, preparing for the few hours' passage across the Gulf to Iran.

Persian chatter mixes with Arabic and South Asian dialects as laborers load crates, cartons and gunny sacks containing everything from computers and electronics to textiles, machinery and foodstuffs.

Much of the re-export trade from the Gulf's main entrepot is of U.S. goods that reach Iran despite Washington's policies aimed at curbing trade and isolating the Islamic republic.

U.S. government sanctions prevent Iran from buying directly from American suppliers, but Dubai-based traders say the port is a major source of American goods for Iran, whose population of 60 million make it by far the Gulf's largest market.

Among its other complaints, Washington accuses Iran of sponsoring terrorism, which Tehran denies. The United States is the largest exporter to Dubai, supplying goods valued at 6.86 billion dirhams ($1.87 billion) in 1996, according to the emirate's figures.

China, Japan, Britain, India, South Korea, Germany, Italy, Taiwan and Indonesia were also big exporters to Dubai.

In 1996, Iran took re-exports valued at 2.87 billion dirhams from Dubai, which is the commercial center of the oil-rich United Arab Emirates, the government said.

Traders say that such is the amount going to Iran via Dubai that they have often been able to secure volume discounts on shipments from the United States and other exporters. This has also reduced the prices of some products on Dubai shelves.

Traders say that some of the American goods are shipped to Dubai with the knowledge of their producers and Dubai agents, while other so-called parallel imports come directly.

While American businesses are effectively frozen from trading with Iran directly by a 1994 U.S. government ban, other countries are making the most of exploiting the market.

Germany is the chief industrial and communications exporter with Siemens, Daimler-Benz and Alcatel all doing business.

Japan builds power stations and dams, with Mitsubishi, Ishikawajima and Nissan all present.

Italy has a steel mill in Isfahan, France sells industrial goods and food, and South Korea sends cars made by Daewoo and household appliances in kit form for local assembly.

The French car maker Peugeot Citroen last year resumed sales of Peugeot 405 kits to its Iranian partner, Iran Khodro, for local assembly after a one-year suspension over debts.

Australia, Iran's largest wheat supplier, exported goods worth 650 million Australian dollars ($468 million) to Tehran in 1996.

A nine-day international trade show, inaugurated by President Mohammed Khatami in Tehran on Wednesday, features stands set up by 1,100 companies from 78 countries as well as 1,720 Iranian ones.

Mr. Khatami criticized attempts by some countries to monopolize science and technology, and called for foreign investment and technology transfers to Iran, state-run Tehran radio said.

U.S. Sanctions Are Gunboat Diplomacy

By Reginald Dale
International Herald Tribune

WASHINGTON — American world leadership may be unchallenged politically and militarily, but commercially the United States is not the sole superpower. The European Union is America's equal in economic weight, and other big new trading powers, especially in Asia, are fast emerging on the scene.

That reality is appreciated by many policymakers in Washington, but not sufficiently by the U.S. Congress, which thinks it can force other countries to do its bidding by threatening their companies with punitive economic sanctions.

This modern equivalent of 19th-century gunboat diplomacy is not only unacceptable to America's allies; it is damaging to U.S. long-term interests.

As Prime Minister Lionel Jospin of France put it succinctly this week, "Nobody accepts that the United States can pass a law on a global scale." He is right. That is why every major European government is backing Total SA, the French oil company, in its decision to defy U.S. sanctions by signing a $2 billion contract with Iran.

There is a great deal wrong with the unilateral sanctions enacted by Congress last year against energy companies investing in Libya and Iran and those it earlier decreed against companies "trafficking" in assets confiscated by Cuba.

The sanctions will not bring down the regimes in the targeted countries; they are liable to end up hurting U.S. businesses more than anyone else, and they unite America's allies against it.

In Total's case, the threat of sanctions also has thrown a spanner into the works of Western efforts to agree on a more effective joint policy toward the new Iranian government. It is actually helping Tehran to divide the West.

But the fundamental point is that this

THINKING AHEAD

is the precise opposite of the way America ought to be preparing for the multipolar world of the 21st century. Rather than set dangerous precedents for unilateral action by others, Washington should be strengthening the rules of the multilateral trading system.

Rather than antagonizing its allies, who most closely share American cultural, moral and economic values, Washington should be working with them to promote common interests as other regions grow more powerful.

Americans and Europeans are bound to clash as the United States becomes ever more dependent on expanding trade to create wealth and jobs and the EU extends its global reach. But most trans-Atlantic trade disputes are manageable.

The growing U.S. appetite for unilateral sanctions is more problematic. This year, a nasty trans-Atlantic clash over Cuba threatened to shake the foundations of the World Trade Organization in Geneva, to which the EU unwisely referred the dispute, before a temporary truce was agreed. The Total affair risks reopening those wounds.

In theory, it should be possible to contain the problem. The amount of business involved in the disputes over Cuba and Iran is still relatively small. The number of other "rogue states" that might be candidates for sanctions is limited, and Congress has shrunk from penalizing major U.S. trading partners such as Mexico and China. The disagreements with the Europeans are more over means than ends.

But fundamental principles are at stake. Europeans are right to resist U.S. attempts to dictate the rules unilaterally. Americans, on the other hand, are right to complain that Europeans are too often guided by commercial rather than strategic, let alone moral, considerations.

It is important that Western nations settle these differences calmly and quickly as they seek to integrate China, Russia and others into the multilateral system. China has shown itself adept at playing off Americans against Europeans and vice versa. If the West wants the emerging powers to play by its rules, it should at least agree on what they are.

CURRENCY & INTEREST RATES

Cross Rates

Oct. 2

	$	£	D.M.	F.F.	Lira	D.fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.991	3.2195	1.1265	0.3352	0.1148*	—	5.4585*	1.3706	1.6447*	1.4465	1.334*
Brussels	36.43	58.98	20.6375	6.145	2.108*	18.32	—	25.38	0.3017	26.35	24.43*
Frankfurt	1.7684	2.858	—	0.2976	0.1003*	0.8878	4.8465*	1.2161	1.4618*	1.2841	1.1844*
London (a)	1.6162	—	2.8558	9.5947	2,800.78	3.2171	59.9208	2.345	195.5623	2.2231	241.2831
Madrid	149.276	241.276	84.454	25.137	8.62*	74.975	4.0926	102.789	123.369*	108.478	—
Milan	1,734.69	2,804.39	980.80	291.62	—	870.65	47.456	1,191.15	14.328	1,250.70	11.614
New York (b)	—	1.6159	1.773	5.958	1,740.00	1.9975	36.59	1.4546	121.495	1.3748	149.38
Paris	5.9385	9.5865	3.3599	—	0.3427*	2.9927	0.1628	4.0857	4.9879*	4.3155	3.979*
Tokyo	121.15	195.57	68.36	20.28	0.695	60.54	3.3047	82.94	—	87.89	0.8077
Toronto	1.3779	2.2261	0.7767	0.2312	0.0792*	0.6898	0.3765*	0.9430	1.1392*	—	0.92*
Zurich	1.4519	2.3484	0.8211	0.2443	0.0837*	0.7283	3.9802*	—	1.195*	1.0572	0.9722*
1 ECU	1.1122	0.689	1.9658	6.6048	1,926.14	2.2144	40.5623	1.6466	134.575	1.5385	165.984
1 SDR	1.3655	0.845	2.4047	8.1087	2,364.74	2.7186	49.8799	1.9854	164.946	1.8847	203.78

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*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	279.18	Mex. peso	7.743	S. Afr. rand	4.666
Australian $	1.3721	Hong Kong $	7.7369	N. Zealand $	1.5574	S. Kor. won	913.40
Austrian sch.	12.433	Hung. forint	194.95	Norw. krone	7.0887	Swed. krona	7.5343
Brazil real	1.0961	Indian rupee	36.15	Phil. peso	34.30	Taiwan $	28.60
Chinese yuan	8.3149	Indo. rupiah	3420.0	Polish zloty	3.42	Thai baht	35.93
Czech koruna	32.65	Irish £	0.6882	Port. escudo	180.04	Turkish lira	173970.
Danish krone	6.729	Israeli shek.	3.5057	Russ ruble	5862.5	UAE dirham	3.671
Egypt. pound	3.399	Kuw dinar	0.3014	Saudi riyal	3.75	Venez. boliv.	497.00
Fin. markka	5.2973	Malay. ring.	3.315	Sing. $	1.5285		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6129	1.6108	1.6090	Japanese yen	120.40	119.86	119.33
Canadian dollar	1.3749	1.3726	1.3701	Swiss franc	1.4510	1.4489	1.4470
Deutsche mark	1.7638	1.7603	1.7571				

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Oct. 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5 9/16	3⅛ - 3¼	1 5/16 - 1 7/16	7 1/16 - 7 3/16	3¼ - 3 5/16	3/8 - ½	4⅛ - 4¼
3-month	5½ - 5 9/16	3 5/16 - 3 7/16	1½ - 1⅝	7 5/16 - 7 7/16	3 5/16 - 3 7/16	3/8 - ½	4 3/16 - 4 5/16
6-month	5 9/16 - 5⅝	3 7/16 - 3½	1 9/16 - 1 11/16	7 7/16 - 7 9/16	3 7/16 - 3½	7/16 - 9/16	4 5/16 - 4 7/16
1-year	5⅝ - 5 11/16	3 11/16 - 3¾	1 13/16 - 1 15/16	7⅝ - 7¾	3 11/16 - 3 13/16	½ - 9/16	4⅜ - 4½

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5½	5 9/16
90-day CDs dealers	5.65	5.64
180-day CP dealers	5.49	5.49
3-month Treasury bill	4.93	4.97
1-year Treasury bill	5.14	5.15
2-year Treasury bill	5.72	5.73
5-year Treasury note	5.89	5.92
7-year Treasury note	5.94	5.97
10-year Treasury note	6.00	6.03
30-year Treasury bond	6.30	6.33
Merrill Lynch 30-day RA	5.08	5.08
Japan		
Discount rate	0.50	0.50
Call money	0.44	0.59
1-month interbank	0.48	0.49
3-month interbank	0.49	0.50
6-month interbank	0.52	0.52
10-year Govt bond	2.01	2.05
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.13
1-month interbank	3.20	3.20
3-month interbank	3.42	3.42
6-month interbank	3.48	3.48
10-year Bund	5.65	5.66

Britain	Close	Prev
Bank base rate	7.00	7.00
Call money	7¼	7 5/16
1-month interbank	7⅛	7⅛
3-month interbank	7¼	7¼
6-month interbank	7⅜	7⅜
10-year Gilt	6.35	6.35
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 3/16
1-month interbank	3¼	3¼
3-month interbank	3 5/16	3¼
6-month interbank	3 7/16	3 7/16
10-year OAT	5.44	5.44

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	333.05	333.60	–3.60
London	331.75	333.35	–3.80
New York	336.00	333.50	–2.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Seoul Hits Back at U.S. on Car-Trade Dispute

Compiled by Our Staff From Dispatches

SEOUL — South Korea and the United States went head to head in a trade dispute Thursday, with Seoul threatening to complain to the World Trade Organization if Washington imposed sanctions over car imports.

Seoul's Ministry of Trade, Industry and Energy was responding to an announcement by the U.S. trade representative, Charlene Barshefsky, that Washington was initiating a procedure that could lead to sanctions.

The United States has cited Korea under the so-called Super 301 provisions of U.S. trade law, which directs the government to identify foreign trade practices that hurt U.S. exports.

U.S. and European carmakers say imports constitute less than 1 percent of South Korea's auto market, and Washington says this shows that the market remains essentially closed.

A Trade Ministry statement said that if Washington maintained its "unreasonable demands" and initiated unilateral sanctions, Seoul would take "various steps" including complaining to the WTO.

A ministry official said a WTO panel would rule as to who was at fault if the United States imposed sanctions. He said that if Washington were found at fault and refused to withdraw sanctions, the ruling would allow Seoul to impose countersanctions.

The ministry said bilateral talks would continue for another 12 to 18 months in hope of resolving the dispute. If no solution is reached, the United States could then decide to impose sanctions that would take effect within 30 days.

South Korea's Foreign Ministry said it regretted the U.S. action and that Washington had not properly evaluated Seoul's efforts to resolve the dispute and was only representing the interests of the U.S. car industry. *(Reuters, NYT)*

■ U.S. Telecom Ruling Assailed

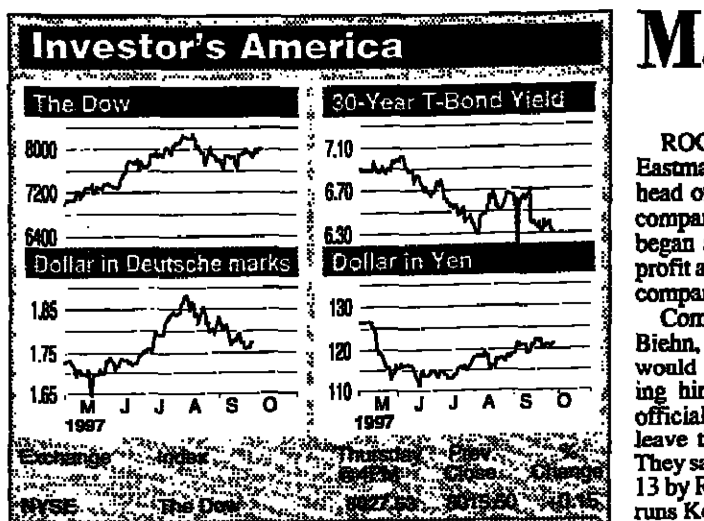
Four telecommunications companies have filed a suit against a U.S. ruling that lowers rates for international calls, a Federal Communications Commission official said Thursday, Agence France-Presse reported from Manila.

Troy Tanner said that Cable & Wireless PLC, Hong Kong Telecommunications Ltd., KDD Co. of Japan and Guyana Telephone filed the suit Monday. Mr. Tanner also said the Philippines had filed a petition for reconsideration of the same ruling. He said he could not give details on the suit, which seeks class-action status.

Copies of the Philippine petition obtained in Manila said the U.S. ruling "contravenes established practices and international comity."

THE AMERICAS

Investor's America



Exchange	Index	Thursday @4PM	Prev. Close	% Change
NYSE	The Dow	8027.53	8015.50	+0.15
NYSE	S&P 500	960.46	955.41	+0.53
NYSE	S&P 100	925.29	921.58	+0.40
NYSE	Composite	503.43	501.08	+0.47
U.S.	Nasdaq Composite	1702.37	1690.29	+0.71
AMEX	Market Value	704.96	703.27	+0.24
Toronto	TSE Index	[illegible]	[illegible]	[illegible]
Sao Paulo	Bovespa	12383.18	12457.88	[illegible]
Mexico City	Bolsa	5325.59	5364.71	[illegible]
Buenos Aires	Merval	834.61	832.74	[illegible]
Santiago	IPSA General	5447.22	5473.09	[illegible]
Caracas	Capital General	10522.26	10615.08	[illegible]

Source: Bloomberg, Reuters — International Herald Tribune

Management Shake-Up at Kodak

Bloomberg News

ROCHESTER, New York — Eastman Kodak Co. replaced the head of its consumer business, the company's largest, as its chairman began an overhaul designed to lift profit at the struggling photography company.

Company officials said David Biehn, 54, the senior vice president, would retire early next year, making him the last of the top three officials of the consumer unit to leave their jobs in recent months. They said he would be replaced Oct. 13 by Robert Keegan, 50, who now runs Kodak's professional unit.

A week ago, Kodak said it would trim its management staff by about 20 percent and consolidate assembly plants as the chairman, George Fisher, cuts costs in response to the deepest crisis in his four-year tenure.

Kodak's U.S. market share is shrinking, its losses from digital imaging are widening, and its film is more expensive than that of its rival, Fuji Photo Film Co.

"This is obviously the start of those changes," said Michael Ellman, an analyst at Schroder & Co.

"The company has not been successful in maintaining the profitability of this most important business unit," he said.

Kodak's shares fell $1.625 to close Thursday at $64.375 on the New York Stock Exchange.

The consumer unit accounted for 48 percent of Kodak's $16 billion in revenue last year. Although the unit's revenue rose 12 percent last year, its profit fell 9 percent.

The consumer unit sells amateur films and cameras, produces photographic paper and develops pictures.

The unit is also responsible for Kodak's Advantix brand of Advanced Photo Cameras, which were put on the market last year. Consumer interest has not matched the company's expectations, however.

The consumer unit will now be run by two people instead of three, according to the Kodak spokesman Charles Smith.

The new top executives in the unit will be Mr. Keegan, the new senior vice president, and Henri Petit, 49, who was named chief operating officer of the unit in June.

EBBERS: *WorldCom Chief, a Down-Home Revolutionary*

Continued from Page 13

mail, reports, computer files, graphics and video are translated into the digital language of ones and zeroes used in computing. Someday, voice communications may be routinely sent the same way, bundled in data packets like e-mail, at a fraction of the cost of conventional phone calls.

But the voice-traffic market remains in the Internet's future. Just when the nascent technology of Internet telephony will seriously eat into the mainstream voice business is a subject of spirited debate. So far, the quality of Internet phone calls is poor, like early phone service, crackly and broken. The pace of improvement will depend on technology, investment schedules and market forces.

For the next few years, WorldCom and other big carriers are focusing on supplying data services to companies. It promises to be a rapidly expanding market worldwide, doubling to $200 billion by 2005, according to an estimate by David Cooperstein, an analyst at Forrester Research Inc. in Cambridge, Massachusetts.

A crucial part of WorldCom's recent buying spree has been to build up its digital network. Last year, as part of its $14 billion purchase of MFS Communications Co., WorldCom picked up Uunet Technologies Inc., the largest provider of high-speed hookups to the Internet.

Last month, WorldCom bought the Internet networks — the hardware backbone of routers, optical-fiber cables, and wires — of both CompuServe Inc. and America Online Inc.

WorldCom's long-term strategy is to be an "integrated supercarrier," a one-stop supplier of all manner of telecommunications services. Mr. Ebbers is fond of repeating WorldCom's slogan: "Voice, data, video." In the not-too-distant future, he says, customers will not buy local, long-distance and data services separately. Instead, he says, they will be purchasing different levels of capacity, or band width, on an integrated network that can handle all three.

The MCI deal, if completed, would provide WorldCom with a wealth of band width. In addition, WorldCom announced Wednesday that it had reached an agreement to buy Brooks Fiber Properties Inc., which provides local telecommunications services to companies, for $2.4 billion in stock.

Together, the two acquisitions would more than double the size of WorldCom's long-distance network and give it local fiber-optic networks in an additional 34 cities.

"The Internet is the future, but these deals are not driven by the Internet," said John Sidgmore, the chief executive of Uunet, who has also become the chief operating officer of WorldCom. "These deals are driven by the networks and band width we get in the United States and internationally."

Expansion has been Mr. Ebbers's credo since 1983 when he and three other investors bought LDDS Communications Inc., a tiny reseller of long-distance phone service.

Mr. Ebbers soon became president of the struggling company, though he was a newcomer to the phone business.

By the late 1980s, Mr. Ebbers made a series of acquisitions of other long-distance resellers, which bought unused network capacity from AT&T and other network operators and sold long-distance service to companies.

In those days, his company focused on small and medium-sized businesses, a niche largely neglected by the big long-distance companies. In the 1990s, Mr. Ebbers started acquiring companies with local and national fiber-optic networks, seeking the higher profits of integrated telecommunications companies.

Since its early days, WorldCom, which switched its name from LDDS Communications in 1995, has been a lean operation. One way it has achieved that is by farming out its back-office data-processing and billing operations to Electronic Data Systems Corp.

Mr. Ebbers seems an unlikely figure to be heading a leading telecommunications company. He may be a telecommunications trailblazer, but he does not carry a cellular phone or pager. WorldCom may be a fast-moving company of the future, but its boss eschews e-mail.

Mr. Ebbers grew up in a working-class family in Edmonton, Alberta, and won a basketball scholarship to Mississippi College. He now lives in a small town near Jackson, Mississippi, where WorldCom is based.

At a news conference Wednesday at the Pierre Hotel in Manhattan, Mr. Ebbers was asked about MCI's "data assets." Mr. Ebbers replied, "What? I didn't know data had assets."

Behind the homespun style, though, is an astute business mind and a driving ambition. William Vogel, an analyst with NationsBank Montgomery Securities, called Mr. Ebbers a "country-bred genius who took an also-ran long-distance reseller and built a telecommunications giant."

Mixed Signals for Stocks

Rosy Inflation Data Override Profit Pessimism

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Thursday as investors largely discounted profit warnings and reacted positively to reports showing factory orders and worker demand strong but below inflationary levels.

Bonds climbed for a second day, driving yields to 19-month lows, amid optimism that Friday's employment report would provide more evidence of steady growth with little inflation.

The Dow Jones industrial average closed at 8,027.53, up 12.03. Advancing issues outnumbered declining ones by a 5-to-4 margin on the New York Stock Exchange, with many traders abandoning Wall Street for the Rosh Hashanah holiday.

Six of the 30 Dow industrial issues moved more than a point, with Disney and American Express the leading gainers and Boeing leading the decliners.

The Standard & Poor's 500-stock index rose 5.05 to close at 960.46.

The technology-laden Nasdaq composite index rose 12.07 to 1,702.37, retaining its strength after WorldCom helped bolster the market Wednesday with its surprise bid for MCI Communications.

Cigna shares tumbled, one of a number of companies to warn that third-quarter earnings would fall

U.S. STOCKS

short of expectations. Harmonic Lightwaves, a fiber optics concern, and SeaChange International, a software company, also fell.

"The unsettling earnings reports that have come out cast a bit of a pall over the market," said Richard Ciardullo, head trader at Liberty Asset Management.

Financial shares, however, gained on the outlook of low inflation, which would mean interest rates would not rise soon. J.P. Morgan, Citicorp, Chase Manhattan and BankAmerica were up.

The benchmark 30-year Treasury bond rose 12/32 to 101 3/32, pushing its yield down to 6.30 percent from 6.32 percent, the lowest since February 1996.

(AP, Bloomberg)

Dollar Gains Against Yen

Bloomberg News

NEW YORK — The dollar was mixed late Thursday, climbing against the yen on signs that Japan's economy was continuing to falter but falling against the Deutsche mark on renewed speculation that Germany may soon raise interest rates.

Japan's benchmark Nikkei 225 stock average plunged 2.17 percent to an eight-month low a day

FOREIGN EXCHANGE

after a closely watched survey showed that a growing number of Japanese manufacturers think business conditions will worsen.

"It's hard not to be bullish on the dollar and bearish on the yen," said Robert Houck, a currency salesman at Norwest Bank in Minneapolis. "Traders focused on the Japanese economy and said, 'Let's buy dollars.'"

The dollar rose to 121.605 yen in late trading from 120.905 yen Wednesday. But it fell to 1.7730 DM from 1.7745 DM after a Bundesbank official hinted that German rates could head higher.

Against other currencies, the dollar fell to 5.9580 French francs from 5.9605 francs and to 1.4545 Swiss francs from 1.4600 francs. The pound rose to $1.6159 from $1.6158. In Japan, hints of economic weakness can sour investors on the nation's financial assets and the yen needed to pay for them. They also cement expectations that Japanese interest rates will remain at historic lows for the foreseeable future. Low rates in Japan prompt global investors to seek higher returns elsewhere.

The dollar also was helped against the yen by sales of yen for marks. Many mark-yen trades are conducted through the dollar, so traders sold yen for dollars, then sold the dollars for marks.

Also propelling the U.S. currency was a rise in U.S. bonds, as non-U.S. investors snapping up Treasury issues bought dollars to pay for them. The U.S. Trade Representative's Office said Wednesday that access to Japan's markets remained a "priority" issue, suggesting tensions may escalate if the trade balance did not improve soon.

Very briefly:

Raytheon-Hughes Gets U.S. Nod

WASHINGTON (Bloomberg) — Raytheon Co. and General Motors Corp.'s Hughes Electronics won federal antitrust approval Thursday for their $9.5 billion combination, bringing the companies one step closer to creating America's third-largest defense and aerospace company.

Raytheon and Hughes agreed to sell two defense-electronics businesses and to erect a firewall that preserved competition for a coming bid on a new missile for the U.S. Army. The settlement does not require the companies to divest themselves of any of their missile production operations, which is considered to be the area with the biggest antitrust concerns.

Ford Plans to Expand in Brazil

PORTO ALEGRE, Brazil (Bloomberg) — Ford Motor Co. said Thursday it planned to spend $1 billion to build a factory in southern Brazil, at the heart of the rapidly growing Mercosur free trade area.

The new plant will produce 100,000 units of a yet-to-be-identified model by 2001, Ford said. The company said the car would be a "multiple-activity vehicle." The investment would bring to at least $3 billion the amount Ford is spending in Brazil between 1995 and 2000.

• **Mobil Corp.**'s joint-venture agreement with VEBA Oel AG of Germany to produce and upgrade heavy crude-oil deposits in Venezuela's Orinoco Belt received final approval from the nation's Congress, the last hurdle for the $2.5 billion project.

• **U.S. factory orders** rose 1.3 percent in August, reflecting strong demand for electronics and costly goods such as commercial airplanes. Orders rose a revised 0.5 percent in July.

• **Fujitsu Ltd.** and its U.S. unit, **Fujitsu Microelectronics Inc.**, have filed a complaint with the U.S. International Trade Commission against **Samsung Electronics Co.** alleging patent violation on integrated circuits. *Reuters, Bloomberg, AFX*

AMEX

Thursday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.

The Associated Press.

Stock	Sales	High	Low	Latest	Chge
AMC	126	20½	20	20½	+¼
ARC	388	7⅝	7½	7½	—
ARM Fin n	527	23½	23⅜	23½	—
Aamsco	102	10¾	10⅝	10⅝	[illegible]
AirWat	1458	1⅜	1¼	1⅜	[illegible]
AHeatgen	165	16¾	16½	16¾	[illegible]
AlleStk	109	12¾	12⅝	12⅝	—
AlldH	145	7½	7¼	7¼	—
Alpnaln	805	19⅛	18⅞	18⅞	[illegible]
AllLvng	108	24¼	24⅛	24⅛	—
AExpl	382	19⅞	19⅝	19⅞	—
AIM 84	92	3⅝	3⅝	3⅝	—
AScE	125	13⅝	13⅜	13⅝	[illegible]
AmShrd	257	1⅝	1⅝	1⅝	[illegible]
Ampex	821	4⅝	4⅝	4⅝	—
Amtec n	4157	2	1⅞	2	[illegible]
AndreaE s	2704	26½	25	25⅝	[illegible]
AngMg	110	18	17½	17½	[illegible]
AngPor	454	4½	4⅜	4½	—
ApexOil n	280	15¾	15⅝	15⅝	[illegible]
ArmorH	141	12½	12⅜	12⅜	[illegible]
ArtyBt	383	2⅝	2⅝	2⅝	—
AstLvng s	436	16⅛	15⅝	16⅛	[illegible]
Astrotc	214	12¾	12⅝	12¾	[illegible]
Atlantis	139	6⅛	5⅞	6⅛	[illegible]
Audvox	645	10⅞	10	10⅛	[illegible]
AudServ	223	3⅛	3⅛	3⅛	—
Autotote	641	2⅞	2⅞	2⅞	[illegible]
Axco	510	1⅛	1⅛	1⅛	—
BAT Ind	1257	10⅛	10⅛	10⅛	[illegible]
Baker	1069	12⅛	11⅞	11⅞	[illegible]
Balchem	159	16⅛	15⅝	16⅛	[illegible]
BanFd	117	29	28⅞	28⅞	[illegible]
BT depD	178	26	25⅞	25⅞	[illegible]
BarrLab s	177	39⅝	39	39⅛	[illegible]
Bayou	159	4⅞	4½	4⅝	[illegible]
BemaGold	2929	4⅛	4⅛	4⅛	[illegible]
ImpCMtg	233	27⅝	27⅜	27½	[illegible]
ImpHly	158	14⅝	14⅜	14⅜	[illegible]
ImpOil g	290	59⅞	58⅞	59	[illegible]
Infocure n	335	6⅛	5⅞	5⅞	—
InterDig	1331	5⅝	5⅜	5⅝	[illegible]
Intmagn	1165	10⅝	10⅜	10½	[illegible]
IntlCmsid	1224	8	7⅞	7⅞	[illegible]
IRIS	215	4⅛	4⅛	4⅛	[illegible]
Intrsystm	160	2⅝	2⅝	2⅝	[illegible]
IonLaser	96	4⅞	4⅝	4⅞	—
IvaxCp	8594	10⅝	9⅞	10⅛	[illegible]
JTS Corp	3320	[illegible]	[illegible]	[illegible]	[illegible]
JanBell	243	2⅛	2⅛	2⅛	—
Jetronic	127	1⅛	1⅛	1⅛	[illegible]
KBK Cap	96	7⅜	6⅞	7⅜	[illegible]
KFX Inc	466	3⅝	3⅜	3⅜	[illegible]
KV Ph A	145	22⅛	21½	21⅝	[illegible]
Kafus gn	293	4⅝	4⅛	4⅛	[illegible]
Keane s	2013	34⅛	33½	33⅝	[illegible]
KeyEng	838	32⅛	32⅛	32⅛	[illegible]
KogrEq	131	20⅛	20⅛	20⅛	[illegible]
LXRBiot	586	2	1⅞	2	[illegible]
LaBarg	226	5⅞	5⅝	5⅞	[illegible]
LsrTech	181	3½	3⅜	3½	[illegible]
MSR	382	1⅛	1⅛	1⅛	—
Magicwk n	170	2⅛	2	2⅛	[illegible]
MagHn wt	1327	[illegible]	[illegible]	[illegible]	[illegible]
MegaHerd	5350	7⅛	6⅞	6⅞	[illegible]
MendCBD n	382	57⅝	57⅛	57	[illegible]
Meridian	117	6	5⅞	6	[illegible]
MeridnPh	586	17⅞	15½	17⅞	[illegible]
MerrP wt	411	7⅝	6⅞	7⅝	[illegible]
MrrdcR	208	13⅝	13⅝	13⅝	[illegible]
Media	251	39⅞	39⅛	39⅛	—
MedisLog	144	2	1⅞	1⅞	[illegible]
Medtox	2576	[illegible]	[illegible]	[illegible]	—
Meteor n	883	5⅛	4⅞	5⅛	[illegible]
Metromdia	5975	14	12⅝	13⅝	[illegible]
Metrom pf	237	54	53⅛	53⅛	[illegible]
MidcstEn	270	21⅛	20⅛	21⅛	[illegible]
Millennia	128	4⅛	4⅛	4⅛	—
MMed	118	10⅛	10⅛	10⅛	[illegible]
MS AMD n	313	33⅛	31⅛	33	[illegible]
NTNCom	1299	2⅛	2	2	[illegible]
NVR	207	25⅛	24⅛	24⅛	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	8016.48	8033.67	7984.06	8027.53	+12.03
Trans	3200.40	3227.95	3191.50	3227.78	+24.19
Util	240.01	243.82	239.96	243.74	+3.40
Comp	2559.55	2574.12	2552.53	2574.12	+13.42

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1119.05	1108.37	1117.44	1122.82
Transp.	692.40	685.69	690.77	692.23
Utilities	206.72	205.15	206.58	208.94
Finance	112.96	111.61	112.84	113.58
SP 500	956.71	947.28	955.41	960.46
SP 100	922.88	913.59	921.58	925.29

NYSE

	High	Low	Last	Chg.
Composite	503.44	499.87	503.43	+2.35
Industrials	632.34	628.08	632.34	+2.39
Transp.	445.57	441.16	445.20	+1.74
Utility	304.56	301.73	304.45	+2.46
Finance	477.55	473.12	476.85	+2.96

Nasdaq

	High	Low	Last	Chg.
Composite	1702.37	1692.11	1702.37	+12.87
Industrials	1384.23	1377.20	1384.23	+7.87
Banks	1913.88	1903.68	1906.80	+3.62
Insurance	1830.35	1812.56	1826.73	+3.26
Finance	2279.17	2257.95	2278.37	+21.45
Transp.	1132.33	1117.05	1130.90	+12.73

AMEX

High	Low	Last	Chg.
704.97	703.06	704.96	+1.69

Dow Jones Bond

	Close	Chg.
20 Bonds	104.34	-0.06
10 Utilities	102.18	-0.10
10 Industrials	106.49	-0.03

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Boeing s	52574	54	52¼	52⅞	-1½
AT&T	50995	44⅛	43½	43¾	-⅜
AMD	49959	29	27⅞	28⅞	+1⅜
Chrysir	47385	35⅞	35⅜	35½	-⅛
Peterson n	44284	20¼	19⅞	20¼	—
PhilMor s	44238	43⅝	42⅝	43	+½
TelBrasil	40532	139¾	135⅜	137⅝	+2⅝
CIGNA	38688	172⅞	160	171⅞	-8½
WstgEl	38372	29⅛	28¼	28½	-⅝
Compaq s	37311	75⅝	74¼	75⅛	-⅛
MicrnT	35035	34⅛	33⅞	33⅞	-⅛
WDigitl s	34282	38⅝	37½	38½	+⅛
Praxair	34806	48⅞	46⅞	48⅞	-⅛
Republnd	33728	35	33¾	33⅞	-⅛
BayNtwk	30157	40⅛	39¼	39⅝	+1¼

Nasdaq

	Vol.	High	Low	Last	Chg.
WorldCm	459569	37⅞	34⅝	37¾	+3⅜
MCI	289015	36⅞	34⅞	36⅝	+1¾
Sybase	77103	19⅞	18⅞	18⅞	+⅜
Intel s	69880	93⅞	91⅞	93¼	-⅛
Cisco	68902	76⅝	72½	76⅞	+3¾
NextelCm	56169	28¾	26¼	26½	-1½
Oracle s	54316	36⅛	35½	36	—
OxfordHlt	51962	71¾	67⅞	71¾	-⅝
TeleComA	47489	22⅜	21⅜	21½	-⅝
SunMic s	46596	46⅞	45⅜	45⅞	+⅜
Tellabs s	44315	55⅝	52½	55⅛	+4¼
CienaCp n	43960	55⅝	51¼	55⅝	+2⅝
Starbcks	41359	40½	37¼	37⅞	-2⅝
Quantum s	41193	37⅞	35⅞	37¼	+1⅜
HarmLgt	40262	12⅝	11	12½	-3⅝

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	25159	96⅞	95¾	96½	+½
GreyWolf	12864	9	8	9	+1
TWA	12801	8½	7⅞	8½	+½
Securcm n	10201	11	10	10	—
IvaxCp	8594	10⅝	9⅞	10⅛	-⅝
DakotaM	8169	⅞	¾	¾	-⅛
RoyalO g	6737	2⅞	2⅝	2¾	+⅛
GST Tele	6069	15⅛	14⅛	14⅝	-⅛
XCL Ltd	6037	⅞	¾	⅞	—
Metromda	5975	14	12⅞	13⅝	+⅝

Trading Activity

NYSE

	Close	Prev.
Advanced	1647	1927
Declined	1187	1012
Unchanged	576	477
Total issues	3410	3416
New Highs	347	375
New Lows	10	10

Nasdaq

	Close	Prev.
Advanced	1890	2196
Declined	1545	2134
Unchanged	2013	1486
Total issues	5448	5734
New Highs	206	404
New Lows	47	42

AMEX

	Close	Prev.
Advanced	323	312
Declined	241	272
Unchanged	160	159
Total issues	724	743
New Highs	63	68
New Lows	4	8

Market Sales

	Today 4 P.M.	Prev. cons.
NYSE	476.90	721.36
Amex	23.90	44.17
Nasdaq	658.84	970.68

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
BlueChip Value	-	.08	10-15	10-31
STOCK SPLIT				
Biotime 3 for 1 split.				
Florida Rockind 2 for 1 split.				
INCREASED				
Cathay Bancorp	Q	.175	10-14	10-21
Industrial Bncp	Q	.14	10-22	11-5
PNC Bank	Q	.39	10-14	10-24
Paychex Inc	Q	.09	10-27	11-24
REGULAR				
Centura Banks	Q	.27	11-28	12-15
Community Svgs	Q	.225	10-15	11-3
Diagnostic Pdcts	Q	.12	11-5	11-19
Engelhard Corp	Q	.10	12-12	12-31
Giant Indus	Q	.05	10-24	11-6
Hancock PatGlDiv	M	.0875	10-10	10-31
Kemper HilncoTr	M	.075	10-15	10-31
Kemper IntermGvt	M	.055	10-15	10-31
Kemper MultiMkt	M	.075	10-15	10-31
Kemper Munilnco	M	.0725	10-15	10-31
Kemper Stratlnco	M	.15	10-15	10-31
Kemper StratMuni	M	.068	10-15	10-31
McGrath RentCorp	Q	.08	10-17	10-31
Mentor IncomeFd	M	.07	10-15	10-31
Murphy Oil	Q	.35	11-14	12-1
Newcor Inc	Q	.05	10-16	11-7
Westbank Corp	Q	.075	10-15	10-30
Winn-Dixie Strs	M	.085	10-15	11-3
Winn-Dixie Strs	M	.085	11-14	12-1
Winn-Dixie Strs	M	.085	12-15	1-2
Wood Bancorp	Q	.10	10-15	10-29
Zweig TotlRet	M	.07	10-14	10-27

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y- ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Oct. 2, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Dec 97	258¼	255½	257¼	+1	202,537
Mar 98	267	264½	265¾	+½	65,400
May 98	272	269¾	271¼	+¾	17,145
Jul 98	276	273½	274½	+½	28,779
Sep 98	270¼	269½	270¼	+¼	2,128
Dec 98	269½	268	269	+¼	18,083
Jul 99	282	280	282	unch.	124

Est. sales N.A. Wed's sales 43,504
Wed's open int 334,340, up 5,261

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Oct 97	207.30	204.00	205.90	+0.50	14,873
Dec 97	200.00	197.80	199.80	+2.10	45,843
Jan 98	197.50	195.60	197.10	+2.10	15,206
Mar 98	194.50	192.60	194.50	+2.00	14,266
May 98	193.50	191.60	193.40	+2.00	15,452
Jul 98	195.60	193.60	195.00	+1.50	7,353

Est. sales N.A. Wed's sales 21,074
Wed's open int 115,737, up 1,585

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Oct 97	23.42	23.36	23.55	+0.14	3,717
Dec 97	24.07	23.66	23.85	+0.09	55,673
Jan 98	24.23	23.88	24.08	+0.13	16,516
Mar 98	24.45	24.08	24.26	+0.12	9,895
May 98	24.45	24.20	24.37	+0.10	7,346
Jul 98	24.55	24.28	24.38	+0.04	6,019

Est. sales N.A. Wed's sales 17,537
Wed's open int 100,333, up 162

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Nov 97	628½	620¼	627½	+7	101,458
Jan 98	630¾	623½	629¾	+6¼	29,241
Mar 98	635	628½	634½	+6¼	13,901
May 98	643½	638	642½	+5	12,794
Jul 98	649	643¼	648¼	+5	11,404

Est. sales N.A. Wed's sales 44,245
Wed's open int 173,161, up 4,896

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Dec 97	357	348½	354½	+4	62,948
Mar 98	369¼	363	368	+2¼	26,145
May 98	376½	371½	375	+2¼	5,123
Jul 98	379	373½	377¼	+2¼	11,036

Est. sales N.A. Wed's sales 16,332
Wed's open int 108,130, up 785

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	66.85	66.27	66.47	-0.10	15,587
Dec 97	66.72	66.30	66.47	+0.22	42,138
Feb 98	69.72	69.20	69.50	+0.42	16,535
Apr 98	73.10	72.55	72.72	+0.25	10,947
Jun 98	70.00	69.50	69.70	+0.22	6,968
Aug 98	69.70	69.30	69.30	+0.30	2,442

Est. sales 12,718 Wed's sales 39,741
Wed's open int 195,391, up 181,739

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	78.00	77.07	77.40	-0.02	5,189
Nov 97	78.47	77.75	77.85	-0.17	4,906
Jan 98	79.75	79.15	79.27	+0.05	3,728
Mar 98	79.40	78.90	78.95	-0.05	1,908
Apr 98	79.62	79.25	79.27	+0.17	714
May 98	80.30	79.72	79.80	-0.12	718

Est. sales 5,257 Wed's sales 5,688
Wed's open int 17,265, off 312

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	68.35	67.67	68.25	+0.67	8,953
Dec 97	63.90	63.35	63.47	+0.22	14,544
Feb 98	62.95	62.35	62.75	+0.32	4,885
Apr 98	59.65	59.02	59.05	+0.05	1,889
Jun 98	66.10	65.50	65.62	+0.05	1,431

Est. sales 6,490 Wed's sales 10,757
Wed's open int 33,069, up 1,520

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 98	63.80	63.10	63.47	+1.05	5,896
Mar 98	63.55	62.80	63.47	+0.97	583
May 98	64.90	64.40	64.85	-0.15	135

Est. sales 1,361 Wed's sales 1,661
Wed's open int 6,747, up 170

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Dec 97	1686	1646	1667	-11	41,721
Mar 98	1715	1677	1700	-6	24,605
May 98	1725	1719	1721	-6	11,988
Jul 98	1741	1723	1741	-6	3,578
Sep 98	1770	1759	1759	-6	4,510
Dec 98			1771	-7	6,715

Est. sales 12,776 Wed's sales 5,408
Wed's open int 103,589, up 365

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 97	164.50	159.25	161.05	-1.30	12,409
Mar 98	153.50	149.00	150.05	-1.85	6,729
May 98	148.50	145.00	145.15	-1.65	2,012
Jul 98	143.00	139.75	139.75	-1.55	2,109
Sep 98	138.50	134.75	134.75	-1.55	516

Est. sales 6,963 Wed's sales 4,706
Wed's open int 24,106, up 52

SUGARWORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Mar 98	11.88	11.70	11.87	+0.18	93,285
May 98	11.84	11.74	11.83	+0.07	24,524
Jul 98	11.68	11.57	11.67	+0.11	18,148
Oct 98	11.60	11.55	11.60	+0.04	14,864

Est. sales 38,393 Wed's sales 21,960
Wed's open int 154,223, off 6,096

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Nov 97	73.70	71.90	73.05	+1.15	18,227
Jan 98	76.40	75.00	75.95	+1.05	10,627
Mar 98	79.40	77.90	78.90	+1.00	7,104
May 98	82.25	81.65	81.65	+1.00	1,731

Est. sales N.A. Wed's sales 1,953
Wed's open int 38,743, up 48

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Oct 97	333.10	331.00	331.00	-2.60	210
Nov 97			331.90	-2.60	1
Dec 97	336.30	332.60	333.50	-2.60	98,375
Feb 98	337.50	334.20	334.80	-2.60	20,440
Apr 98	339.50	336.50	336.50	-2.70	5,805
Jun 98	340.60	338.50	338.50	-2.70	9,639
Aug 98			340.40	-2.70	4,663
Oct 98			342.40	-2.80	483
Dec 98	346.90	344.40	344.50	-2.80	8,522

Est. sales N.A. Wed's sales 86,629
Wed's open int 182,675, up 391

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	93.30	92.50	92.55	-2.75	1,639
Nov 97	94.00	93.00	93.25	-2.75	2,000
Dec 97	96.70	93.20	93.75	-2.85	26,593
Jan 98	95.25	94.15	94.15	-2.55	1,077
Feb 98	95.70	94.35	94.35	-2.35	1,074
Mar 98	95.50	94.00	94.60	-2.10	4,977
Apr 98	95.70	94.55	94.55	-1.95	919
May 98	95.60	94.50	94.60	-1.75	2,509
Jun 98	95.70	94.50	94.60	-1.50	871

Est. sales N.A. Wed's sales 5,721
Wed's open int 49,211, off 452

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Oct 97	514.00	512.90	512.90	-1.30	1
Nov 97			515.20	-1.50	
Dec 97	523.00	514.00	517.00	-1.50	70,716
Jan 98			518.40	-1.50	21
Mar 98	529.00	521.00	523.30	-1.60	14,699
May 98	533.00	526.00	526.70	-1.70	3,312
Jul 98			530.30	-1.80	2,517
Sep 98			533.90	-1.90	626

Est. sales N.A. Wed's sales 16,833
Wed's open int 97,812, up 2,223

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Oct 97	431.00	427.00	430.60	+0.50	1,012
Jan 98	431.00	425.50	429.80	+1.20	11,898
Apr 98	423.00	420.00	422.30	+1.20	745
Jul 98			418.30	+1.20	3

Est. sales N.A. Wed's sales 2,126
Wed's open int 13,658, off 281

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1686.00	1687.00	1681½	1682½
Forward	1676.00	1677.00	1673½	1674.00
Copper Cathodes (High Grade)				
Spot	2060.00	2061.00	2092.00	2093.00
Forward	2087.00	2088.00	2116.00	2117.00
Lead				
Spot	624½	625½	642.00	644.00
Forward	636.00	637.00	648.00	650.00
Nickel				
Spot	6710.00	6720.00	6785.00	6795.00
Forward	6810.00	6820.00	6890.00	6895.00
Tin				
Spot	5790.00	5795.00	5625.00	5635.00
Forward	5830.00	5835.00	5670.00	5680.00
Zinc (Special High Grade)				
Spot	1344.00	1345.00	1360.00	1362.00
Forward	1350.00	1351.00	1332.00	1353.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Dec 97	95.04	95.02	95.02	+0.01	5,031
Mar 98	95.04	95.03	95.04	+0.01	3,462
Jun 98			94.96	unch.	152

Est. sales N.A. Wed's sales 638
Wed's open int 8,645, up 270

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	107-40	107-44	107-52	+ 05	234,928

Est. sales N.A. Wed's sales 53,338
Wed's open int 235,001, up 6,195

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	110-30	110-18	110-25	+ 05	377,787
Mar 98	110-18	110-09	110-15	+ 06	14,729
Jun 98	110-00	110-00	110-00	+ 01	2

Est. sales N.A. Wed's sales 105,903
Wed's open int 392,519, up 9,683

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Dec 97	116-28	116-06	116-21	+ 10	444,599
Mar 98	116-18	115-29	116-11	+ 10	38,468
Jun 98	116-06	115-31	116-00	+ 11	4,238
Sep 98			115-12	unch.	1,956

Est. sales N.A. Wed's sales 594,432
Wed's open int 693,986, up 36,496

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	120-18	120-03	120-15	+0-06	179,516

Est. sales: 92,656. Prev. sales: 115,980
Prev. open int.: 179,541 up 5,200

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Dec 97	102.44	102.22	102.41	+0.07	304,752
Mar 98	102.56	102.56	102.65	+0.07	8,898

Est. sales. 132,214. Prev. sales: 412,614
Prev. open int.: 313,450 up 15,583

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	100.08	99.84	99.96	— 0.04	135,203
Mar 98	99.44	99.24	99.34	— 0.04	4,365

Est. sales: 127,513.
Open int.: 139,568 up 1,938.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	112.13	111.21	111.83	+0.19	120,119
Mar 98	N.T.	N.T.	111.77	+0.18	1,326

Est. sales: 76,353. Prev. sales: 104,059
Prev. open int.: 121,445 up 851

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Oct 97	94.37	94.36	94.37	unch.	27,532
Nov 97	94.34	94.33	94.33	unch.	32,267
Dec 97	94.18	94.17	94.18	+0.01	8,977

Est. sales N.A. Wed's sales 6,274
Wed's open int 73,550, up 793

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Oct 97	94.25	94.24	94.25	unch.	24,890
Nov 97	94.22	94.21	94.22	+0.01	12,362
Dec 97	94.21	94.19	94.20	+0.01	589,353
Mar 98	94.17	94.14	94.16	+0.01	424,920
Jun 98	94.10	94.05	94.09	+0.03	315,650
Sep 98	94.03	93.98	94.01	+0.03	242,998
Dec 98	93.92	93.86	93.91	+0.04	223,182
Mar 99	93.91	93.85	93.89	+0.04	150,575
Jun 99	93.86	93.81	93.85	+0.04	119,948
Sep 99	93.83	93.78	93.81	+0.03	98,821
Dec 99	93.76	93.71	93.75	+0.04	86,455
Mar 00	93.76	93.72	93.75	+0.04	71,511

Est. sales N.A. Wed's sales 449,623
Wed's open int 2,733,875, up 23,111

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Dec 97	1.6140	1.6068	1.6110	+0.0006	27,781
Mar 98			1.6040	unch.	236
Jun 98			1.5978	unch.	27

Est. sales N.A. Wed's sales 3,211
Wed's open int 28,044, up 4

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Dec 97	.7318	.7282	.7308	+0.0018	45,749
Mar 98	.7350	.7322	.7339	+0.0017	1,781
Jun 98	.7370	.7350	.7370	+0.0026	443

Est. sales N.A. Wed's sales 15,100
Wed's open int 48,143, off 1,236

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Dec 97	.5688	.5647	.5667	+0.0002	56,036
Mar 98	.5716	.5693	.5693	-0.0003	2,349
Jun 98			.5725	unch.	2,511

Est. sales N.A. Wed's sales 19,583
Wed's open int 60,998, off 22

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Dec 97	.8368	.8282	.8301	-0.0060	75,626
Mar 98	.8465	.8400	.8400	-0.0072	807
Jun 98	.8585	.8585	.8585	unch.	165

Est. sales N.A. Wed's sales 18,322
Wed's open int 76,599, off 981

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Dec 97	.6952	.6892	.6922	+0.0011	35,759
Mar 98			.6980	unch.	1,601
Jun 98			.7047	unch.	259

Est. sales N.A. Wed's sales 12,080
Wed's open int 37,725, up 354

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Dec 97	.12590	.12560	.12570	+0.00050	24,346
Mar 98	.12167	.12145	.12155	+.00071	8,942
Jun 98	.11790	.11790	.11790	+0.00035	1,907

Est. sales N.A. Wed's sales 6,376
Wed's open int 36,436, up 157

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	92.59	92.56	92.57	— 0.02	122,762
Mar 98	92.57	92.53	92.55	— 0.01	102,254
Jun 98	92.59	92.54	92.57	— 0.01	88,427
Sep 98	92.71	92.66	92.68	— 0.03	69,373
Dec 98	92.89	92.82	92.86	— 0.03	59,426
Mar 99	93.09	93.04	93.07	— 0.03	56,095
Jun 99	93.28	93.25	93.28	— 0.01	36,898
Sep 99	93.44	93.41	93.44	— 0.02	28,229

Est. sales: 53,569. Prev. sales: 82,555
Prev. open int.: 624,872 off 3,344

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Oct 97	96.59	96.57	96.58	Unch.	9,673
Nov 97	N.T.	N.T.	96.49	Unch.	712
Dec 97	96.44	96.42	96.43	Unch.	305,423
Mar 98	96.22	96.17	96.19	— 0.01	292,990
Jun 98	95.98	95.93	95.95	— 0.01	252,817
Sep 98	95.80	95.74	95.77	— 0.01	189,427
Dec 98	95.61	95.56	95.58	— 0.01	159,899
Mar 99	95.44	95.39	95.41	— 0.02	166,340
Jun 99	95.30	95.25	95.27	— 0.01	75,422
Sep 99	95.16	95.13	95.14	— 0.01	67,082

Est. sales: 179,474. Prev. sales: 200,916
Prev. open int.: 1,647,571 up 17,257

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	96.43	96.40	96.41	Unch.	35,463
Mar 98	96.20	96.16	96.17	— 0.01	34,691
Jun 98	95.97	95.93	95.94	— 0.01	28,757
Sep 98	95.80	95.76	95.77	— 0.01	22,063
Dec 98	95.64	95.59	95.60	— 0.02	27,047
Mar 99	95.50	95.46	95.47	— 0.01	40,481

Est. sales: 38,482.
Open int.: 221,845 up 4,931.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Dec 97	93.81	93.65	93.74	— 0.01	102,606
Mar 98	94.59	94.45	94.54	Unch.	100,911

	High	Low	Latest	Chge	Opint
Jun 98	95.03	94.90	94.98	Unch.	84,181
Sep 98	95.12	95.00	95.08	Unch.	55,788
Dec 98	95.11	94.98	95.07	Unch.	47,313
Mar 99	95.00	94.88	94.97	Unch.	26,589
Jun 99	94.86	94.75	94.82	Unch.	14,654
Sep 99	94.72	94.59	94.68	— 0.01	2,498

Est. sales: 119,433. Prev. sales: 170,527
Prev. open int.: 434,540 up 14,578

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	70.00	69.01	69.26	+0.41	38
Dec 97	71.90	71.60	71.60	-0.04	50,463
Mar 98	73.35	73.00	73.00	-0.10	15,001
May 98	74.10	73.71	73.75	-0.10	7,734
Jul 98	74.75	74.40	74.41	-0.09	6,463

Est. sales N.A. Wed's sales 12,212
Wed's open int 89,174, off 1,374

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Nov 97	60.75	57.70	59.85	+1.66	49,943
Dec 97	60.90	58.60	60.60	+1.37	30,834
Jan 98	61.50	59.45	61.10	+1.27	21,223
Feb 98	61.10	59.60	61.00	+1.02	12,970
Mar 98	60.30	59.00	60.30	+1.17	7,836
Apr 98	58.45	57.60	58.40	+0.87	4,405
May 98	56.40	56.40	56.40	+0.22	3,606

Est. sales N.A. Wed's sales 27,993
Wed's open int 1,144,923, up 997,489

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Nov 97	21.85	20.87	21.74	+0.69	104,155
Dec 97	21.72	20.86	21.63	+0.61	84,441
Jan 98	21.57	20.81	21.50	+0.55	42,381
Feb 98	21.40	20.75	21.33	+0.45	23,929
Mar 98	21.25	20.70	21.25	+0.44	13,010
Apr 98	21.13	20.63	21.13	+0.39	10,696

Est. sales N.A. Wed's sales 9,134
Wed's open int 428,460, up 2,700

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Nov 97	3.160	3.020	3.105	-0.019	51,347
Dec 97	3.190	3.100	3.190	+0.002	32,864
Jan 98	3.150	3.060	3.150	+0.004	27,834
Feb 98	2.805	2.760	2.800	-0.005	18,361
Mar 98	2.600	2.525	2.550	-0.020	12,536
Apr 98	2.340	2.310	2.330	-0.060	7,903

Est. sales N.A. Wed's sales 48,669
Wed's open int 228,695, off 817

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Nov 97	61.60	59.15	61.25	+1.35	43,687
Dec 97	61.00	58.75	60.55	+1.23	14,489
Jan 98	60.85	58.80	60.55	+1.28	14,713
Feb 98	60.25	59.10	60.25	+0.68	4,701
Mar 98			60.25	+0.08	5,833
Apr 98	63.40	62.95	63.40	+0.63	3,776
May 98			62.57	unch.	2,785
Jun 98			61.97	unch.	1,302

Est. sales N.A. Wed's sales 19,754
Wed's open int 95,673, off 4,012

GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons

	High	Low	Latest	Chge	Opint
Oct 97	178.75	176.25	178.50	+0.25	20,202
Nov 97	180.25	178.00	180.25	+0.50	23,807
Dec 97	181.75	179.75	181.75	+0.25	17,121
Jan 98	182.75	181.50	183.00	—0.25	13,900
Feb 98	182.00	181.75	183.00	—0.50	7,305
Mar 98	179.50	179.00	180.75	—0.25	2,421

Est. sales: 13,500. Prev. sales: 17,523
Prev. open int.: 99,608 up 1,481

BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels

	High	Low	Latest	Chge	Opint
Nov97	20.50	19.63	20.48	+0.66	62,427
Dec97	20.50	19.63	20.49	+0.68	37,003
Jan98	20.37	19.61	20.38	+0.61	26,593
Feb98	20.20	19.62	20.25	+0.55	10,167
Mar 98	20.05	19.56	20.10	+0.50	4,490
Apr 98	19.90	19.47	19.97	+0.47	2,147

Est. sales: 53,237. Prev. sales: 32,239
Prev. open int.: 153,747 off 2,597

Stock Indexes

SP COMP INDEX (CMER) 500 x index

	High	Low	Latest	Chge	Opint
Dec 97	968.80	961.10	965.60	+2.20	184,068
Mar 98	978.00	971.80	977.40	+3.70	3,085
Jun 98	987.40	987.40	987.40	+1.35	751

Est. sales N.A. Wed's sales 65,217
Wed's open int 188,136, off 158

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	Opint
Dec 97	5440.0	5440.0	5375.0	—17.0	67,408
Mar 98	5468.0	5468.0	5423.0	—15.0	1,973

Est. sales: 11,257. Prev. sales: 10,368
Prev. open int.: 69,581 up 405

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	Opint
Oct 97	3084.0	3054.5	3059.0	— 6.00	33,974
Nov 97	3087.5	3063.0	3067.0	— 6.00	6,736
Dec 97	3097.0	3070.0	3074.5	— 5.50	15,773
Mar 98	3105.5	3100.0	3099.0	— 6.00	11,223

Est. sales: 16,321.
Open int.: 79,897 off 21,068.

Commodity Indexes

	Close	Previous
Moody's	1,536.50	1,537.20
Reuters	1,882.20	1,882.60
D.J. Futures	144.88	145.54
CRB	243.40	242.58

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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Poland Agrees on Free Market

Differences in New Coalition Appear Not to Run Deep

By Peter S. Green
International Herald Tribune

As the winners of last week's Polish parliamentary elections sit down to hammer out the details of their economic program, officials from both leading parties say they expect nearly full agreement on a tough, market-oriented restructuring program despite continuing differences over how to fill the top government economic posts.

Officials from Solidarity Election Action, which won 201 seats in the 460-seat Sejm, or lower house of the National Assembly, and the center-right Freedom Union, which has 60 seats, say they see nearly eye-to-eye.

"We see we have common opinions on the vast majority of economic affairs, and we can form a government which can be rather liberal and free-market-oriented," said Andrzej Pototcki, a Freedom Union spokesman.

"Personally I think it's 100 percent certain" that Solidarity and Freedom Union will agree on a free-market economic platform, said Boguslaw Grabowski, an economic specialist with Solidarity who is taking part in the coalition talks.

Before the elections Sept. 21, many analysts worried that a victory for Solidarity over the Democratic Left Alliance would lead to a government cave-in to demands from Solidarity's blue-collar trade union supporters, rising budget deficits and social spending, and a slowdown of privatization plans.

Instead, the miners and other unions that support Solidarity have been remarkably quiet, and Mr. Grabowski, the Solidarity economist, sounds the same themes as the Freedom Union's strong-willed leader, Leszek Balcerowicz.

It isn't that there are no differences of opinion. The Solidarity coalition leader, Marian Krzaklewski, 47, said this week that his party wanted the Treasury Ministry, which oversees privatization, and a top Solidarity aide said "it would be good" if the Finance Ministry also went to a Solidarity loyalist.

Now they must compromise on top cabinet posts.

Earlier, Mr. Pototcki of the Freedom Union said his party would insist on at least one of these posts. Mr. Balcerowicz was finance minister in the early 1990s, and his economic shock therapy is generally credited with producing Poland's current growth, but Solidarity opposes giving him a cabinet post.

Analysts, economists and investors say Poland must continue to take a hard line on soaring current-account and trade deficits, keep hacking away at its budget deficit, revive the stalled privatization process and reform the pay-as-you go health-care and pension systems. Poland also must maintain rapid growth to qualify for entry into the European Union early next century and avoid the kind of recession that has hit the Czech Republic.

Solidarity's economic reform program has four parts, Mr. Grabowski said: Stabilize growth, including cutting the budget deficit from its projected 1.8 percent of gross domestic product to 1.6 percent or 1.5 percent this year; reform the pension and health-care systems; decentralize public spending and give taxing authority to local government, and revive privatization.

Although he said the government was prepared to push this program through the National Assembly when its next session started Oct. 20, Mr. Grabowski conceded that it would not be that easy for Solidarity, a disparate coalition of 36 parties, and the belt-tightening may offend Solidarity's blue-collar supporters.

"It's easy to say, but not easy to decide, how to cut spending without raising taxes," Mr. Grabowski said.

Both Solidarity and the Freedom Union also favor a strong zloty.

The two sides also want to use proceeds from future privatizations to fund the new retirement and health-insurance plans, although they still differ over details.

So far, the markets have reacted favorably.

"There's been no rapid movement of the indices, as the outcome of the election was in line with expectations," said Marcin Mroz, an economist at Wood-Commerz in Warsaw. "Foreign investors came back to T-bill auctions this week. We've noticed a big demand."

Jacek Skarzynski/Agence France-Presse
Leszek Balcerowicz, leader of Poland's Freedom Union party.

Tomasz Berent, an analyst at IB Austria, said the first things he would look for were whether the new government would keep to the tight 1998 budget it inherited from the former Communists and whether it speeded up privatization.

Telekomunikacja Polska SA, the country's monopoly fixed-line phone company, is valued at about $20 billion. Steel mills, coal mines and the petroleum and electric-power industries still need to be privatized. "If Telekom goes ahead in whatever way they wish, then they would prove that they are credible for equity investors," Mr. Berent said.

"If Poland wants to be in the EU, it will have to make these reforms now," said Martin Taylor, who manages Eastern European funds for Baring Asset Management in London. "As a foreign investor, the elections give me confidence it will happen."

SE Banken To Acquire Trygg-Hansa

Compiled by Our Staff From Dispatches

STOCKHOLM — Skandinaviska Enskilda Banken AB, Sweden's third-largest bank, said Thursday it had agreed to buy Trygg-Hansa AB, the country's No. 2 insurer, to expand its fund-management business.

The deal, in cash or new shares, would make SE Banken the largest private-capital investor in Sweden as it gave the bank access to the insurer's growing pension fund. Together, the two banks would manage 300 billion kronor ($39.69 billion) of assets.

SE Banken will offer Trygg-Hansa shareholders 244 kronor a share in cash or allow them to exchange five Trygg-Hansa shares for 13 new shares in SE Banken. Under the first option, the offer would total 16.8 billion kronor.

The cash bid is 30 percent above market value, while the share exchange is 27 percent higher, according to a share price average for the past 10 days, the bank said.

SE Banken and Trygg-Hansa said they expected the merger to result in annual pretax savings of 775 million kronor. Restructuring costs would amount to around 500 million kronor before tax, the bank said.

SE Banken said it intended to nominate its chief executive, Jacob Wallenberg, as chairman, and Trygg-Hansa's chief executive, Lars Thunell, as president and chief executive.

The deal extends a consolidation in the Nordic banking and insurance industries as the European Union encourages cross-border competition.

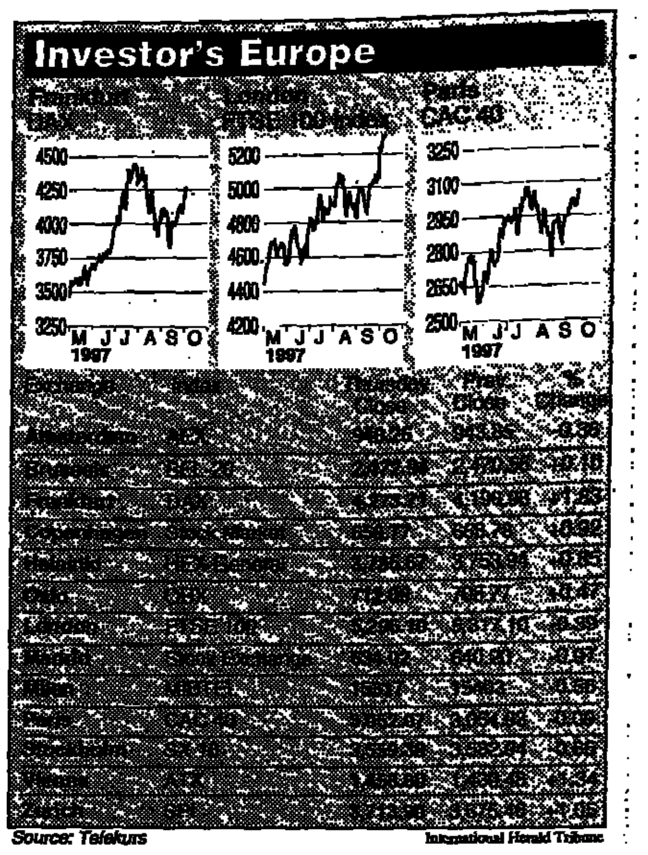
In March, Den Danske Bank AS, Denmark's largest bank, bought Oestgoeta Enskilda Bank AB of Sweden from Lundberggruppen AB for about 2.8 billion kronor.

Trygg-Hansa's board said it would recommend SE Banken's offer to Trygg shareholders. The Trygg Foundation, which owns 39 percent of the company's voting rights and 24 percent of its capital, has said it will accept the offer.

SE Banken's shares rose 3 kronor to close at 94.50, giving the stock offer a value of 246.5 kronor a share. Trygg's shares rose 49, to 246.

Trading in the bank's shares was suspended on Stockholm's stock exchange for part of Thursday, pending the announcement. Trygg-Hansa's shares had been suspended since Wednesday.

(Bloomberg, AFP, Reuters)



Source: Telekurs
International Herald Tribune

Very briefly:

• **Italy's** stock market may soften a rule that requires companies planning a public share offering to demonstrate they have made a profit for three consecutive years, said Tommaso Padoa Schioppa, chairman of Consob, the stock market regulator. The rule has been criticized for deterring companies from listing.

• **Turkey's Communications Ministry** fired the general manager of the state telephone monopoly, **Turk Telekomunikasyon AS**, as the state prepares to sell up to 20 percent of the company in the first months of 1998.

• **German** authorities said they had given approval for **Bertelsmann AG** and **Kirch Group** to begin digital-television broadcasts this month on the cable network of **Deutsche Telekom AG**.

• **Russia's** consumer prices fell in September, bringing the inflation rate to 9.1 percent over the first nine months of the year, compared with 16.5 percent a year earlier.

• **Rhone-Poulenc SA** said it owned 98.6 percent of **Rhone-Poulenc Rorer Inc.**, a U.S. drugs company, after receiving acceptances for 95.9 percent of the shares in Rorer it did not yet own.

• **Hyder PLC**, Wales' largest company, said it would unite its water, electricity and gas services under single management, in an effort to cut £15 million ($24.2 million) in operating costs in three years.

• **Volkswagen AG** has received 50,000 firm orders for its fourth-generation Golf model, which will be put on sale Oct. 10, the company said. The company expects to sell 150,000 of the vehicles this year and 700,000 next year.

• **ABB Asea Brown Boveri Ltd.** said it formed two joint-venture companies in Poland as part of its strategy to increase its electrical-industrial-equipment services there.

• **De Beers** of South Africa will sign an agreement to buy up to $550 million per year of uncut diamonds from **Almazy Rossii-Sakha**, a Russian state-owned diamond marketer.

Reuters, Bloomberg, AFP

MAID to Buy Knight-Ridder's On-Line Database Unit

Compiled by Our Staff From Dispatches

LONDON — MAID PLC said Thursday that it would buy Knight-Ridder Information Inc. for $420 million to create a business-information service that would control about 25 percent of the on-line market.

The takeover will combine MAID's InfoSort search software with Knight-Ridder's collection of business, technical and scientific databases in a challenge to Lexis-Nexis, owned by Reed Elsevier PLC, a British-Dutch publisher, for leadership of a $1.35 billion market.

Dan Wagner, the 34-year-old entrepreneur who created MAID in 1985, expressed great hopes for the combination, which will be named The Dialog Corp.

"We can leverage the technology," he said. "It's a quantum leap for InfoSort to become a standard in the market."

For Knight-Ridder, the sale comes as the company digests the purchase in April for $1.65 billion of four newspapers belonging to Walt Disney Co.

"This is a business we did not want to lose" but "the sale is necessary," said Knight-Ridder Inc.'s chairman and chief executive, Tony Ridder.

Lacking cutting-edge database technology, Knight-Ridder had long wanted to focus on making its newspaper business more profitable, analysts said.

The on-line information industry is consolidating amid demands for new technology that can allow easy access to the growing mass of data available electronically. Competitors include Reuters Holdings PLC's Business Briefing, Dow Jones & Co.'s News/Retrieval, and the FT Profile by the Financial Times, a unit of Pearson PLC.

Knight-Ridder Information had sales of $289.8 million in 1996. MAID, which stands for Market Analysis and Information Database, had sales of $41.6 million in the year ended June 30.

Knight-Ridder owns some of the on-line information business' best-known brands, including Dialog and Datastar, and has about 160,000 customers, including more than half of the Fortune 500 companies.

"MAID is buying a great collection of databases" but has been losing market share among new customers, said Catherine Stanley, a fund manager at Framlington Investment Management Ltd. and a MAID shareholder. "They are relying on MAID technology to revitalize that."

MAID will raise £118 million ($190.4 million) by selling new shares, $180 million from subordinated notes, and will take a $90 million loan to finance the acquisition.

MAID's shares, which were suspended from trading for Thursday's announcement, closed Wednesday at 215 pence, unchanged.

(Bloomberg, Reuters)

WORLD STOCK MARKETS

Thursday, Oct. 2
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 940.26
Previous: 943.85

	High	Low	Close	Prev.
ABN-AMRO	42.70	41.50	41.70	42
Aegon	166.40	163.80	165.40	163.50
Ahold	55.50	54.80	55	55
Akzo Nobel	353.60	348.50	350	350.40
Baan Co.	149	146.50	148.30	145.50
Bols Wess cva	35.80	35	35.80	35.50
CSM cva	94.80	93.80	94.20	94.30
Dordtsche Pet	119	115.50	115.60	116.50
DSM	196.20	194.30	195.30	196.10
Elsevier	29.90	28.70	28.80	29.60
Fortis Amev	85.30	84.50	84.90	84.60
Getronics	62.80	61.90	62.30	61.50
G-Broc cva	56.50	55.30	55.70	56
Hagemeyer	103	102.10	102.50	103.80
Heineken	353.50	348.50	352	353
Hoogovens cva	128.90	126	126.50	128.50
Hunt Douglas	85.80	84.60	84.60	85
ING Group	96.30	93.90	95.50	93.70
KLM	70.70	68.40	70.10	69.50
KNP BT	55.40	53.60	54	54.90
KPN	80	77.40	77.80	79.50
Nedlloyd Gp	69.30	67.20	67.90	67.10
Nutricia	61.70	60.90	61.30	61.40
Oce Grinten	259.50	255.50	256	257
Philips Elec	178.80	170.70	171.50	176.40
Polygram	116.40	115	116	116.30
Randstad Hdg	84.90	81.60	82.80	83.50
Robeco	197	196	196	195.30
Rodamco	61.20	60.60	61	60.80
Rolinco	198	196.50	196.50	197
Rorento	118.80	118.30	118.30	118.80
Royal Dutch	118.10	114.60	114.80	115.30
Unilever cva	437.80	432.50	433.30	429.10
Vendex Intl	119.10	118	118.30	118.20
VNU	48.30	46.80	46.80	48.30
Wolters Kl cva	273.40	270	270	269.40

Bangkok
SET index: 538.86
Previous: 547.88

	High	Low	Close	Prev.
Adv Info Svc	252	248	252	242
Bangkok Bk F	192	187	187	190
Krung Thai Bk	25.25	24.25	24.75	25
PTT Explor	400	390	400	388
Siam Cement F	592	580	580	590
Siam Com Bk F	122	118	118	120
Telecomasia	30.25	29.75	30	30
Thai Airways	59.50	57	59	56
Thai Farm Bk F	131	125	131	127
Utd Comm	110	107	110	109

Markets Closed

The stock markets in Bombay and Hong Kong were closed Thursday for a holiday.

Brussels
BEL-20 index: 2472.94
Previous: 2478.56

	High	Low	Close	Prev.
Almanij	1625	1610	1620	1605
Barco Ind	7730	7670	7700	7690
BBL	9440	9370	9400	9400
CBR	3285	3265	3265	3280
Colruyt	18800	18475	18800	18700
Delhaize Lion	1835	1810	1830	1820
Electrabel	7780	7680	7740	7680
Electrafina	3545	3515	3545	3540
Fortis AG	7500	7450	7450	7470
GBL	5820	5770	5780	5770
Gen Banque	14950	14875	14900	14950
Kredietbank	15625	15500	15600	15575
Petrofina	14750	14500	14725	14575
Powerfin	4965	4945	4960	4950
Royale Belge	9950	9800	9890	9770
Soc Gen Belg	3530	3460	3510	3465
Solvay	2250	2205	2215	2220
Tractebel	14925	14875	14925	14925
UCB	132000	129000	129000	130400

Copenhagen
Stock index: 659.77
Previous: 653.78

	High	Low	Close	Prev.
BG Bank	395	380	387	384
Carlsberg B	373	369	370	368
Codan Fors	960	925	950	920
Danisco	401	391.58	395	396
Den Danske Bk	740	725	733	727
D/S Svendborg B	491000	485000	485000	478750
D/S 1912 B	346000	340000	346000	335000
FLS Ind B	212	202	203	202
Kob Lufthavne	790	774	785	785
Nvo Nordisk B	770.70	759	765	752
Sophus Ber B	1100	1079	1090	1080
Tele Danmk B	378	369	375	369
Tryg Baltica	410	400	405	398.50
Unidanmark A	441	428	430	430

Frankfurt
DAX: 4273.71
Previous: 4196.98

	High	Low	Close	Prev.
AMB B	172	170	170	174
Adidas	232.50	229.50	232	227
Allianz Hdg	446	440	442.50	431
Altana	137	134.30	134.30	135.05
Bk Berlin	47.45	46.30	47.45	46.10
BASF	65.40	64.60	65.40	64.25
Bayer Hypo Bk	80.30	78.70	80.30	76.85
Bay.Vereinsbank	108.50	104.70	108.30	103.20
Bayer	72.60	71.50	72.25	71.15
Beiersdorf	85	84	85	86
Bewag	40.45	39.85	39.85	40.05
BMW	1510	1485	1497	1497
CKAG Colonia	161	160	160	159.50
Commerzbank	65.80	65.30	65.80	64.10
Daimler Benz	147.10	144	145.35	145.60
Degussa	97	95.80	96.90	97
Deutsche Bank	127.30	125.75	126	126.90
Deut Telekom	35.55	34.80	35.30	35
Dresdner Bank	83.60	82.50	83.60	82.60
Fresenius	300	295	297	290
Fresenius Med	125	124	124.90	123.30
Fried. Krupp	366	364.80	364.80	362
Gehe	96.50	95.80	96	94.70
Heidelbg Zmt	153	150	153	146
Henkel pfd	103.90	103.10	103.90	101.80
HEW	463	463	463	465
Hochtief	84	83	84	82.50
Hoechst	79.90	79.30	79.70	79.20
Karstadt	637	625	636	616
Lahmeyer	98.50	96.50	96.50	97
Linde	1252	1230	1252	1240
Lufthansa R	37	36.80	36.90	35.75
MAN	583.50	574	575	568.50
Mannesmann	837	831	835	811.30
Metallgesellschaft	39.50	39.05	39.05	39.05
Metro	84.50	83.80	84.25	81.90
Munch Rueck R	622	608.50	621.50	598
Preussag	500	490	508	488
RWE	87.50	86.80	87.50	85.60
SAP pfd	469.50	467.80	469.50	461.50
Schering	189.90	187.50	188.50	184.30
SGL Carbon	261.40	259.90	260	259.90
Siemens	121.25	119.80	120.25	119.10
Springer (Axel)	1500	1500	1500	1510
Suedzucker	898	894	895	892
Thyssen	423	417.50	419.50	414.50
Veba	109.20	108.20	108.50	104.35
VEW	580	580	580	571
Viag	821	809.50	821	795.50
Volkswagen	1262	1243.50	1260	1229

Helsinki
HEX General index: 2785.47
Previous: 2753.94

	High	Low	Close	Prev.
Enso A	58	56.50	57.50	56.50
Huhtamaki I	209	207.50	207.50	209
Kemira	51.40	51	51	51
Kesko	75	74.50	74.50	75
Merita A	25.50	24.80	25.40	24.70
Metra B	155	153.50	153.50	154.50
Metso-Serla B	51	48.80	49.10	50.80
Neste	140	136	139.50	144
Nokia A	513	507.10	512	502
Orion-Yhtymae	185	180.10	184.50	179
Outokumpu A	99	95	95	99
UPM-Kymmene	151	148	148.50	150.50
Valmet	92.70	89.50	92.50	90

Jakarta
Composite index: 534.92
Previous: 536.99

	High	Low	Close	Prev.
Astra Intl	2800	2525	2575	2850
Bk Intl Indon	875	850	875	850
Bk Negara	900	850	875	875
Gudang Garm	9600	9125	9550	9275
Indocement	2350	2100	2350	2350
Indofood	4150	3950	4150	3925
Indosat	8725	8650	8700	8700
Sampoerna HM	6375	6025	6325	6650
Semen Gresik	3075	2975	2975	3100
Telekomunikasi	3550	3450	3525	3550

Johannesburg
All Market: 7174.29
Previous: 7130.22

	High	Low	Close	Prev.
ABSA Group	32.10	31.40	31.95	31.30
AngloAm Coal	276	275	276	274
AngloAm-Corp	246.25	242.75	246	243
AngloAm Gold	256	252	253	258
AngloAm Ind	180	177.50	177.50	178
AngloAM Plat	81.25	81	81	81.25
AVMIN	12.15	12	12.15	12.20
Barlow	54	53	53	53
C.G. Smith	22.30	22.10	22.10	22.20
De Beers	141	136	140	136.50
Driefontein	33.75	33	33.60	34
Fst Natl Bk	38	37.05	37.95	37.05
Gencor	11.60	11	11.60	11.20
GFSA	96.50	95.50	96.50	96
Imperial Hdgs	62.25	62	62.25	62
Ingwe Coal	22.70	22.50	22.70	22.50
Iscor	3.00	2.98	3.02	2.98
Johnnies Indl	62	60.50	60.50	61.50
Liberty Hdgs	354	353.50	354	354.75
Liberty Life	135.25	134.25	135	134.50
LibLife Strat	16.10	15.90	16.10	15.80
Minorco	104.25	103	104.25	104
Nampak	18	17.50	18	17.50
Nedcor	100	99.50	99.75	100
Rembrandt Gp	43.25	42.40	43.25	42.40
Richemont	61	60.25	60.50	60.25
SA Breweries	137	135.75	136.50	136
Samancor	36.05	35.40	36.05	35.40
Sasol	63.75	63	63.75	62.75
SBIC	206.50	206	206.50	206
Tiger Oats	69.25	68.50	68.75	68.75

Kuala Lumpur
Composite: 791.59
Previous: 795.83

	High	Low	Close	Prev.
AMMB Hdgs	8.50	8.25	8.45	8.35
Genting	9.95	9.80	9.85	9.95
Mal Banking	16.10	15.90	15.90	16.20
Mal Intl Ship F	6.20	5.95	6.10	6
Petronas Gas	9.75	9.55	9.55	9.75
Proton	8.75	8.70	8.75	8.80
Public Bk	2.78	2.68	2.68	2.78
Renong	3.20	3.12	3.20	3.20
Resorts World	7.15	6.85	7.05	6.90
Rothmans PM	26.25	26	26	26
Sime Darby	6.45	6.30	6.40	6.35
Telekom Mal	9.85	9.60	9.80	9.75
Tenaga	8.05	7.70	7.80	7.95
Utd Engineers	10.70	9.90	10.60	10
YTL	4.12	4.04	4.08	4.12

London
FT-SE 100: 5296.10
Previous: 5317.10

	High	Low	Close	Prev.
Abbey Natl	9.87	9.53	9.79	9.73
Allied Domecq	4.95	4.75	4.81	4.87
Anglian Water	8.55	8.33	8.35	8.27
Argos	6.92	6.82	6.85	6.87
Asda Group	1.59	1.53	1.55	1.58
Assoc Br Foods	5.50	5.39	5.44	5.48
BAA	6.02	5.77	5.88	5.99
Barclays	18.05	17.20	17.50	17.23
Bass	8.42	8.30	8.30	8.36
BAT Ind	5.75	5.54	5.67	5.55
Bank Scotland	5.28	5.06	5.18	5.12
Blue Circle	3.99	3.79	3.87	3.95
BOC Group	11.12	10.93	11.04	11.03
Boots	9.01	8.90	8.96	8.89
BPB Ind	3.48	3.46	3.48	3.47
Brit Aerosp	17.07	16.90	17	16.95
Brit Airways	6.85	6.67	6.74	6.80
BG	2.71	2.60	2.64	2.68
Brit Land	6.67	6.49	6.59	6.47
Brit Petm	9.51	9.31	9.43	9.37
BSkyB	4.70	4.63	4.67	4.66
Brit Steel	1.83	1.76	1.79	1.82
Brit Telecom	4.61	4.43	4.51	4.45
BTR	2.52	2.37	2.46	2.50
Burmah Castrol	11.35	11.18	11.30	11.09
Burton Gp	1.36	1.33	1.33	1.32
Cable Wireless	5.74	5.60	5.65	5.61
Cadbury Schw	6.03	5.95	5.99	6
Carlton Comm	5.37	5.20	5.27	5.15
Comml Union	8.25	8	8.12	8.15
Compass Gp	6.84	6.76	6.79	6.73
Courtaulds	3.50	3.45	3.48	3.45
Dixons	6.90	6.63	6.83	6.62
Electrocomponents	4.78	4.73	4.73	4.76
EMI Group	6.11	5.91	6.01	6.07
Energy Group	6.58	6.50	6.50	6.53
Enterprise Oil	6.89	6.73	6.73	6.80
Fam Colonial	1.82	1.79	1.79	1.81
Genl Accident	11.14	10.95	10.97	11.05
GEC	4.10	4.03	4.06	4.06
GKN	14	13.47	13.67	13.91
Glaxo Wellcome	14.10	13.56	13.86	13.97
Granada Gp	8.87	8.65	8.77	8.72
Grand Met	6.02	5.78	5.82	5.95
GRE	3.32	3.17	3.22	3.17
Greenalls Gp	3.77	3.55	3.55	3.69
Guinness	5.94	5.77	5.84	5.88
GUS	7.20	6.96	7.08	6.95
Hays	6.95	6.78	6.88	6.99
HSBC Hldgs	21.96	20.90	21.37	21.39
ICI	10.39	10.18	10.29	10.19
Impl Tobacco	3.72	3.65	3.65	3.69
Kingfisher	8.80	8.50	8.63	8.75
Ladbroke	2.78	2.75	2.77	2.77
Land Sec	10	9.90	9.96	9.91
Lasmo	2.82	2.68	2.73	2.77
Legal Genl Grp	5.10	5.02	5.06	5
Lloyds TSB Gp	8.63	8.03	8.47	8.51
LucasVarity	2.34	2.30	2.33	2.32
Marks Spencer	6.56	6.49	6.53	6.50
MEPC	5.27	5.22	5.22	5.19
Mercury Asset	13.70	13.45	13.54	13.32
National Grid	2.87	2.80	2.83	2.83
Natl Power	5.75	5.45	5.68	5.69
NatWest	10.14	9.50	9.86	9.53
Next	7.47	7.30	7.41	7.27
Norwich Union	3.87	3.36	3.39	3.38
Orange	2.34	2.24	2.26	2.30
P&O	6.80	6.63	6.70	6.69
Pearson	7.90	7.73	7.81	7.80
Pilkington	1.60	1.54	1.56	1.57
PowerGen	7.72	7.57	7.62	7.67
Premier Farnell	5.36	5.30	5.36	5.31
Prudential	7.02	6.91	6.97	6.93
Railtrack Gp	9.08	8.94	8.99	9.03
Rank Group	3.70	3.63	3.66	3.64
Reckitt Colm	9.69	9.57	9.63	9.58
Redland	2.35	2.30	2.33	2.32
Reed Intl	5.42	5.23	5.33	5.36
Rentokil Initial	2.62	2.55	2.55	2.59
Reuters Hldgs	7.63	7.33	7.57	7.78
Rexam	3.46	3.40	3.43	3.45
RTZ reg	10.27	9.95	10.10	10.09
RMC Group	9.93	9.85	9.90	9.87
Rolls Royce	2.55	2.40	2.44	2.54
Royal Bk Scot	7	6.68	6.87	6.97
Royal & Sun All	5.93	5.83	5.89	5.83
Safeway	3.95	3.80	3.86	3.93
Sainsbury	4.61	4.48	4.53	4.59
Schroders	20.10	19.86	20.04	19.93
Scot Newcastle	7.18	7.13	7.13	7.12
Scot Power	4.93	4.83	4.88	4.84
Securicor	2.88	2.85	2.85	2.86
Severn Trent	9.52	9.20	9.26	9.17
Shell Transp R	4.95	4.75	4.80	4.75
Siebe	13.21	12.75	13.20	12.60
Smith Nephew	1.93	1.90	1.93	1.91
SmithKline	6.20	5.97	6.07	6.10
Smiths Ind	9.50	9.22	9.34	9.25
Sthern Elec	4.91	4.73	4.80	4.68
Stagecoach	6.82	6.75	6.81	6.75
Stand Charter	8.65	8.28	8.53	8.50
Tate & Lyle	4.44	4.38	4.41	4.46
Tesco	4.60	4.46	4.52	4.59
Thames Water	9.31	8.90	9.10	8.84
3i Group	5.21	5.13	5.20	5.20
TI Group	6.83	6.72	6.76	6.71
Tomkins	3.52	3.42	3.45	3.47
Unilever	18.83	18.41	18.70	18.45
Utd Assurance	5.25	4.85	4.90	5.17
Utd News	7.95	7.85	7.88	7.92
Utd Utilities	8	7.65	7.87	7.67
Vendome Lx uts	4.57	4.46	4.47	4.48
Vodafone	3.50	3.44	3.48	3.46
Whitbread	8.08	7.90	7.93	8.02
Williams Hdgs	3.72	3.65	3.65	3.69
Wolseley	5.15	5.07	5.07	5.16
WPP Group	2.83	2.79	2.82	2.81
Zeneca	20.80	20.50	20.63	20.51

Madrid
Bolsa index: 634.83
Previous: 640.20

	High	Low	Close	Prev.
Acerinox	28580	28160	28160	28290
ACESA	1990	1970	1975	1985
Aguas Barcelon	6100	6000	6010	6090
Argentaria	9010	8860	8920	9010
BBV	4700	4640	4645	4695
Banesto	1525	1510	1510	1520
Bankinter	8890	8800	8810	8820
Bco Central Hisp	6300	6200	6220	6280
Bco Popular	9770	9680	9680	9710
Bco Santander	4920	4830	4850	4915
CEPSA	4795	4680	4685	4700
Continente	3240	3115	3150	3250
Corp Mapfre	8500	8310	8330	8500
Endesa	3185	3110	3110	3175
FECSA	1270	1250	1255	1265
Gas Natural	7980	7800	7970	7970
Iberdrola	1840	1810	1815	1840
Pryca	2840	2795	2800	2825
Repsol	6610	6540	6580	6550
Sevillana Elec	1425	1410	1410	1425
Tabacalera	10390	10200	10200	10400
Telefonica	4705	4570	4640	4720
Union Fenosa	1310	1295	1305	1310
Valenc Cement	3000	2980	2980	2975

Manila
PSE index: 2031.47
Previous: 2047.62

	High	Low	Close	Prev.
Ayala B	13.25	13	13	13.50
Ayala Land	16.75	16.50	16.50	16.50
Bk Philip Isl	102	100	102	103
C&P Homes	3.45	3.40	3.45	3.45
Manila Elec A	73.50	71.50	71.50	73.50
Metro Bank	302.50	282.50	292.50	305
Petron	4.50	4.35	4.45	4.50
PCIBank	145	144	145	144
Phil Long Dist	930	915	925	940
San Miguel B	56.50	54.50	55	57
SM Prime Hdg	6.50	6.30	6.30	6.40

Mexico
Bolsa index: 5331.85
Previous: 5354.40

	High	Low	Close	Prev.
Alfa A	75.00	74.50	74.80	74.50
Banacci B	24.50	23.95	23.95	24.45
Cemex CPO	40.40	40.00	40.00	40.40
Cifra C	17.48	17.24	17.26	17.50
Emp Moderna	41.60	41.00	41.30	42.15
Gpo Carso A1	62.60	62.00	62.30	62.40
Gpo F Bcomer	3.61	3.53	3.53	3.60
Gpo Fin Inbursa	34.00	33.80	33.80	34.00
Kimb Clark Mex	40.65	40.25	40.50	40.30
Televisa CPO	153.20	145.50	152.40	147.10
TelMex L	20.45	20.20	20.30	20.25

Milan
MIB Telematico: 15317.00
Previous: 15403.00

	High	Low	Close	Prev.
Alleanza Assic	16380	15890	15950	16130
Bca Comm Ital	4825	4670	4720	4750
Bca Fideuram	7190	6855	6960	6950
Bca di Roma	1715	1650	1650	1692
Benetton	28400	27750	27750	28450
Credito Italiano	4545	4380	4435	4505
Edison	9050	8820	8820	8880
ENI	10620	10350	10350	10560
Fiat	5995	5845	5900	5900
Generali Assic	38150	37500	37500	37800
IMI	18180	17500	17500	17500
INA	2690	2630	2655	2670
Italgas	6100	5930	6030	6025
Mediaset	8870	8700	8835	8670
Mediobanca	13140	12860	12860	13030
Montedison	1306	1255	1299	1251
Olivetti	952	925	944	930
Parmalat	2850	2790	2790	2815
Pirelli	4995	4860	4860	4950
RAS	15250	14960	14980	15000
Rolo Banca	24700	24000	24100	24300
S Paolo Torino	13400	13150	13250	13360
Telecom Italia	11270	10905	10940	11125
TIM	6925	6710	6750	6745

Montreal
Industrials index: 3424.52
Previous: 3411.18

	High	Low	Close	Prev.
Bce Mob Com	47	47	47	47.20
Cdn Tire A	30¼	30.15	30¼	30
Cdn Util A	38.70	38.65	38.65	38.65
CT Finl Svc	48	47.80	48	48
Gaz Metro	18½	18.30	18.40	18½
Gt-West Lifeco	33.20	33.10	33.20	33.20
Imasco	42½	42.05	42½	41.95
Investors Grp	42.70	41.60	42.10	42¼
Loblaw Cos	22	22	22	22.05
Natl Bk Canada	19.35	19.15	19¼	19¼
Power Corp	42	41.60	41.70	41.70
Power Finl	41¼	41	41.05	41¼
Quebecor B	24.65	24.60	24.60	24.55
Rogers Comm B	8.30	8.05	8.05	8¼
Royal Bk Cda	68.40	68.05	68¼	67.85

Oslo
OBX index: 712.89
Previous: 708.77

	High	Low	Close	Prev.
Aker A	137	133	134.50	133
Bergesen Dy A	222	216.50	220	217
Christiania Bk	24.70	24.50	24.60	24.20
Den norske Bk	29.90	29.40	29.70	29.50
Elkem	132.50	129.50	130	130
Hafslund A	44	43.50	43.80	43.50
Kvaerner Asa	424	420	420	422
Norsk Hydro	420	417	417.50	418
Norske Skog A	270	266	266	268
Nycomed A	162	160	161.50	161.50
Orkla Asa A	637	620	624	626
Petrol GeoSvc	478	475	477	477
Saga Petrol A	150	147	149	147.50
Schibsted	130	124.50	130	125
Transocean Off	340	340	340	345
Storebrand Asa	52.50	52	52.50	53

Paris
CAC-40: 3052.87
Previous: 3054.93

	High	Low	Close	Prev.
Accor	1173	1090	1109	1140
AGF	238	234	235.40	237.30
Air Liquide	1015	998	1005	1013
Alcatel Alsth	812	798	798	806
Axa-UAP	405.20	401	402.60	401.90
Bancaire	777	761	764	767
BIC	461.90	446	450	457.30
BNP	317.50	302.10	310	305
Canal Plus	1074	1048	1051	1066
Carrefour	3797	3753	3771	3778
Casino	358.70	352.10	356.60	352.50
CCF	364	353.10	358	353.30
Cetelem	688	676	683	686
Christian Dior	812	802	807	803
CLF-Dexia Fran	575	549	572	553
Credit Agricole	1311	1311	1311	1306
Danone	987	956	976	960
Elf-Aquitaine	803	784	784	797
Eridania BS	925	915	915	925
Eurodisney	8.20	8.05	8.05	8.15
Eurotunnel	6.40	6.25	6.30	6.40
Gen. Eaux	711	695	709	693
Havas	425.90	414.10	417	412.10
Imetal	778	763	775	772
Lafarge	448	440.60	445	441.80
Legrand	1295	1265	1290	1273
L'Oreal	2458	2431	2445	2435
LVMH	1278	1255	1255	1261
Michelin B	363	353	360	352
Paribas A	447.50	440.50	444	444
Pernod Ricard	296.40	291	293.80	294.70
Peugeot Cit	809	788	801	795
Pinault-Print	2810	2755	2794	2794
Promodes	2316	2270	2284	2316
Renault	180.90	177	180.70	178.40
Rexel	1703	1668	1699	1700
Rh-Poulenc A	253	240	251	238.50
Sanofi	573	562	568	560
Schneider	388	373.20	377	384.50
SEB	900	886	887	883
SGS Thomson	557	528	528	555
Ste Generale	874	856	865	862
Sodexho	3155	3070	3155	3000
St Gobain	937	917	918	936
Suez (Cie)	16	16	16	15.85
Suez Lyon Eaux	670	646	658	667
Synthelabo	711	698	700	702
Thomson CSF	189	185.90	187	187.30
Total B	699	682	687	700
Usinor	121.60	120.20	121.50	121.60
Valeo	393	382	393	387.50

São Paulo
Bovespa index: 12418.70
Previous: 12172.58

	High	Low	Close	Prev.
Bradesco Pfd	12.50	12.00	12.10	12.10
Brahma Pfd	841.00	839.98	840.99	839.99
Cemig Pfd	63.00	60.50	60.50	61.00
CESP Pfd	98.50	95.80	98.00	96.50
Copel	17.49	17.30	17.35	17.00
Eletrobras	611.00	588.00	610.00	589.00
Itaubanco Pfd	750.00	715.00	750.00	730.00
Light Servicios	507.10	500.00	500.01	500.00
Lightpar	415.01	403.00	413.00	400.00
Petrobras Pfd	324.99	317.00	324.00	316.01
Paulista Luz	205.00	199.80	201.00	199.99
Sid Nacional	42.00	41.30	41.90	41.90
Souza Cruz	11.00	10.61	10.99	10.61
Telebras Pfd	152.89	148.50	151.70	148.20
Telemig	173.00	166.00	173.00	165.99
Telerj	164.00	160.00	162.70	160.00
Telesp Pfd	377.00	353.99	374.00	354.00
Unibanco	44.00	40.00	40.55	40.05
Usiminas Pfd	11.96	11.87	11.93	11.96
CVRD Pfd	27.45	26.90	27.10	27.20

Seoul
Composite index: 634.65
Previous: 644.92

	High	Low	Close	Prev.
Dacom	79000	76100	76500	77000
Daewoo Heavy	7080	6920	6950	7040
Hyundai Eng.	18400	17800	18200	17900
Kia Motors	6400	6350	6400	6330
Korea El Pwr	20000	19400	19500	20000
Korea Exch Bk	4930	4750	4810	4920
LG Semicon	33900	31000	31000	32700
Pohang Iron St	55500	54500	55000	55000
Samsung Display	43800	43000	43700	43800
Samsung Elec	66500	65000	65400	65600
Shinhan Bank	7780	7250	7520	7680
SK Telecom	439000	428000	432000	436000

Singapore
Straits Times: 1927.44
Previous: 1941.74

	High	Low	Close	Prev.
Asia Pac Brew	5.15	5.10	5.15	5.20
Cerebos Pac	5.50	5.15	5.15	5.30
City Devlts	9.75	9.55	9.60	9.75
Cycle Carriage	9.15	9	9	9.20
Dairy Farm Intl *	0.99	0.98	0.99	0.97
DBS foreign	15.40	15.10	15.20	15.10
DBS Land	3.66	3.60	3.60	3.64
Fraser & Neave	8.70	8.40	8.50	8.70
HK Land *	3.40	3.40	3.40	3.40
Jard Matheson *	8.15	8.05	8.10	8.10
Jard Strategic *	4	3.92	3.96	3.90
Keppel A	5.95	5.90	5.95	6.10
Keppel Bank	3.20	3.16	3.18	3.16
Keppel Fels	4.44	4.30	4.32	4.44
Keppel Land	3.86	3.66	3.70	3.86
OCBC foreign	10.20	10	10.10	10.20
OS Union Bk F	6.80	6.65	6.75	6.80
Parkway Hdgs	6	5.75	5.75	6
Sembawang	6.90	6.65	6.70	7
Sing Air foreign	12	11.40	12	11.40
Sing Land	6.55	6.35	6.45	6.55
Sing Press F	23.50	22.70	22.90	23
Sing Tech Ind	2.78	2.66	2.72	2.79
Sing Telecomm	2.50	2.42	2.50	2.48
Tat Lee Bank	2.80	2.78	2.78	2.80
Utd Industrial	1.02	1	1.01	1.02
Utd O'Sea Bk F	10.60	10.50	10.50	10.90
Wing Tai Hdgs	3.18	3.14	3.18	3.16

*: In U.S. dollars.

Stockholm
SX 16 index: 3589.28
Previous: 3582.94

	High	Low	Close	Prev.
AGA B	122.50	117	119.50	122.50
ABB A	108.50	107	107	106.50
AssiDoman	260	255	256.50	256.50
Astra A	139	136.50	136	139
Atlas Copco A	262	256.50	257	260.50
Autoliv	330	320	321.50	328
Electrolux B	635	614	614	622
Ericsson B	378.50	368.50	370	375
Hennes B	342.50	330	334	339
Incentive A	724	696	700	724
Investor B	420	406	406	408.50
MoDo B	286	279	279	283
Nordbanken	267.50	256	264	258.50
Pharm/Upjohn	281	265	271	281.50
Sandvik B	276	262	264	268
Scania B	230	227	227	229
SCA B	194	190.50	190.50	191.50
S-E Banken A	97	93	94.50	91.50
Skandia Fors	372	352	361	349
Skanska B	339	324	337	328
SKF B	227	224	225	222
Sparbanken A	188.50	181	188.50	182
Stora A	132	128.50	128.50	131
Sv Handels A	277	262	273	261.50
Volvo B	218	216	217	218

Sydney
All Ordinaries: 2778.90
Previous: 2779.20

	High	Low	Close	Prev.
Amcor	8.85	8.71	8.79	8.77
ANZ Bking	11.42	11.31	11.39	11.28
BHP	16.41	16.20	16.35	16.15
Boral	4.43	4.32	4.40	4.32
Brambles Ind.	28.65	28.14	28.26	28.55
CBA	17.11	17	17.07	16.97
CC Amatil	15.21	14.90	15	15.30
Coles Myer	6.65	6.51	6.59	6.58
Comalco	7.05	6.85	6.85	7.02
CSR	5.65	5.35	5.35	5.60
Fosters Brew	2.92	2.85	2.87	2.90
Goodman Fld	2.35	2.29	2.31	2.38
ICI Australia	13	12.90	12.90	12.95
Lend Lease	33.80	33.35	33.55	33.41
MIM Hdgs	1.70	1.66	1.69	1.69
Nat Aust Bank	21.83	21.18	21.75	21.15
Nat Mutual Hdg	2.38	2.32	2.33	2.36
News Corp	7.04	7	7	7
Pacific Dunlop	3.94	3.86	3.90	3.96
Pioneer Intl	4.70	4.54	4.58	4.69
Pub Broadcast	9.12	8.99	9	9.09
Rio Tinto	21.36	21.04	21.24	20.98
St George Bank	8.80	8.69	8.73	8.74
WMC	6.75	6.67	6.72	6.64
Westpac Bking	8.66	8.53	8.58	8.63
Woodside Pet	13.39	13.11	13.18	13.36
Woolworths	4.51	4.30	4.33	4.50

Taipei
Stock Market index: 8584.66
Previous: 8695.82

	High	Low	Close	Prev.
Cathay Life Ins	131.50	127	127	130
Chang Hwa Bk	104	100.50	100.50	102.50
Chiao Tung Bk	74	72	72	73.50
China Devlpmt	101.50	98	99	99
China Steel	26.90	26	26	26.90
First Bank	105	100.50	100.50	103
Formosa Plastic	58.50	55	56	58.50
Hua Nan Bk	113.50	108	108.50	111.50
Intl Comm Bk	56	54	54	55
Nan Ya Plastics	67.50	64	64	67.50
Shin Kong Life	84.50	80	80	83.50
Taiwan Semi	144	140	142.50	141
Tatung	35.30	33.50	33.70	35
Utd Micro Elec	90	87	88	89
Utd World Chin	61	57	57.50	60.50

Tokyo
Nikkei 225: 17453.04
Previous: 17842.16

	High	Low	Close	Prev.
Ajinomoto	1060	1010	1020	1060
All Nippon Air	650	620	620	657
Amway	3420	3370	3370	3400
Asahi Bank	720	696	705	680
Asahi Chem	589	532	541	599
Asahi Glass	932	906	906	934
Bk Tokyo Mitsu	2320	2290	2300	2320
Bk Yokohama	477	470	470	480
Bridgestone	2930	2820	2910	2900
Canon	3720	3590	3590	3680
Chubu Elec	2020	2000	2000	2010
Chugoku Elec	1940	1900	1900	1940
Dai Nipp Print	2610	2550	2560	2620
Daiei	656	644	645	653
Dai-Ichi Kang	1320	1270	1300	1330
Daiwa Bank	570	548	557	550
Daiwa House	1200	1120	1130	1190
Daiwa Sec	770	751	768	753
DDI	5790a	5360a	5500a	5800a
Denso	2910	2820	2830	2900
East Japan Ry	5650a	5570a	5570a	5650a
Eisai	2230	2170	2220	2170
Fanuc	4640	4520	4520	4670
Fuji Bank	1330	1280	1280	1330
Fuji Photo	5000	4900	4920	4980
Fujitsu	1510	1480	1490	1500
Hachijuni Bk	1190	1180	1180	1180
Hitachi	1070	1030	1060	1060
Honda Motor	4370	4250	4250	4350
IBJ	1520	1450	1450	1510
IHI	280	273	278	278
Itochu	415	407	411	430
Ito-Yokado	6610	6310	6440	6520
JAL	433	401	408	425
Japan Tobacco	9830a	9660a	9800a	9670a
Jusco	2990	2830	2960	2800
Kajima	503	491	491	500
Kansai Elec	2140	2100	2110	2140
Kao	1790	1730	1730	1800
Kawasaki Hvy	404	376	383	409
Kawa Steel	228	210	220	227
Kinki Nipp Ry	682	669	672	683
Kirin Brewery	996	970	970	988
Kobe Steel	150	146	146	149
Komatsu	642	585	601	640
Kubota	460	441	448	460
Kyocera	8070	7870	7920	7910
Kyushu Elec	2000	1950	1950	2010
LTCB	567	551	563	541
Marubeni	410	390	390	405
Marui	2020	1950	1970	2020
Matsu Comm	3940	3800	3800	3940
Matsu Elec Ind	2220	2190	2200	2200
Matsu Elec Wk	1220	1190	1190	1230
Mitsubishi	1140	1090	1100	1140
Mitsubishi Ch	268	257	260	270
Mitsubishi El	453	421	421	469
Mitsubishi Est	1830	1790	1800	1820
Mitsubishi Hvy	687	674	680	670
Mitsubishi Mat	622	603	615	621
Mitsubishi Tr	1870	1830	1840	1850
Mitsui	957	942	958	958
Mitsui Fudosn	1560	1520	1540	1510
Mitsui Trust	599	580	588	578
Murata Mfg	5290	5050	5050	5180
NEC	1500	1480	1490	1490
Nikko Sec	1910	1860	1890	1910
Nikon	511	502	502	513
Nintendo	11800	11600	11700	11700
Nipp Express	673	655	664	703
Nippon Oil	486	477	485	481
Nippon Steel	278	255	255	273
Nissan Motor	720	685	689	720
NKK	158	155	158	157
Nomura Sec	1610	1570	1580	1590
NTT	1110b	1070b	1090b	1100b
NTT Data	5960b	5790b	5790b	5780b
Oji Paper	540	527	529	532
Osaka Gas	287	280	280	287
Ricoh	1770	1700	1730	1770
Rohm	14700	14400	14400	14800
Sakura Bk	565	555	560	554
Sankyo	4190	4070	4110	4190
Sanwa Bank	1480	1430	1430	1470
Sanyo Elec	373	360	361	374
Secom	8550	8400	8490	8490
Seibu Rwy	4770	4500	4500	4730
Sekisui Chem	911	900	907	898
Sekisui House	1140	1110	1110	1140
Seven-Eleven	9080	8860	8860	9060
Sharp	1100	1040	1050	1090
Shikoku El Pwr	1950	1890	1910	1930
Shimizu	537	522	526	536
Shin-etsu Ch	3460	3380	3430	3400
Shiseido	1960	1940	1950	1970
Shizuoka Bk	1290	1260	1270	1290
Softbank	4900	4750	4800	4780
Sony	11900	11500	11500	11700
Sumitomo	876	864	870	871
Sumitomo Bk	1800	1760	1760	1800
Sumit Chem	442	422	422	442
Sumitomo Elec	1760	1740	1750	1750
Sumit Metal	264	254	258	264
Sumit Trust	1160	1140	1140	1150
Taisho Pharm	3220	3150	3150	3200
Takeda Chem	3610	3570	3590	3620
TDK	11700	11200	11200	11500
Tohoku El Pwr	1930	1910	1910	1930
Tokai Bank	980	967	970	987
Tokio Marine	1490	1450	1460	1450
Tokyo El Pwr	2310	2270	2270	2280
Tokyo Electron	7950	7670	7800	7780
Tokyo Gas	280	272	273	282
Tokyu Corp.	579	556	559	579
Tonen	1030	1010	1020	1030
Toppan Print	1780	1640	1640	1700
Toray Ind	695	679	688	710
Toshiba	594	565	569	600
Tostem	1870	1800	1810	1880
Toyo Trust	970	940	954	930
Toyota Motor	3690	3640	3650	3690
Yamanouchi	3030	2990	3000	3010

a: x 100; b: x 1,000

Toronto
TSE Industrials: 7054.79
Previous: 7044.59

	High	Low	Close	Prev.
Abitibi Cons.	23.80	23.05	23.20	23¼
Alberta Energy	33.30	32¾	32¾	33.15
Alcan Alum	48.10	47.20	47.80	47.30
Anderson Expl	17.10	16.95	17.05	16.95
Bk Montreal	59.65	59.10	59.40	58.85
Bk Nova Scotia	66.85	66¼	66¼	66.05
Barrick Gold	34	33.20	33.45	33.70
BCE	41.65	41.40	41.60	41.40
BC Telecomm	35¾	35.65	35.70	35.40
Biochem Pharm	43¾	43¼	43¼	43¼
Bombardier B	28.10	27.60	27.65	27.90
Cameco	53.20	52	53.15	52
CIBC	39.45	39¼	39½	39.20
Cdn Natl Rail	71¾	71.20	71.30	71¼
Cdn Nat Res	41.30	41	41.20	40.85
Cdn Occid Pet	37.35	36.80	36.85	36.95
Cdn Pacific	41.10	40.70	40.70	40.95
Cominco	35.90	34¾	34.85	35
Dofasco	26.45	26.30	26.45	26.30
Domtar	12.10	11.70	12.10	11¾
Donohue A	31.70	31½	31.60	31.55
Du Pont Cda A	35	34¾	35	34.95
EdperBrascan	25.70	25¼	25.40	25.30
EuroNev Mng	26	24.35	24.35	24½
Fairfax Finl	382	381	382	382
Falconbridge	26.40	26	26¼	25.90
Fletcher Chall A	23½	23.05	23.15	23¼
Franco Nevada	33.40	32.60	32.85	33.40
Gulf Cda Res	12¾	12.35	12.45	12.85
Imperial Oil	81¼	80.85	81.30	80.45
Inco	35½	34.80	35.10	34.65
IPL Energy	54.15	54	54.15	54.20
Laidlaw B	21	20.65	20¾	20.65
Loewen Group	38.45	38.10	38.45	38.20
Macmill Bld	20.20	19.55	19.65	19.90
Magna Intl A	96.70	95¾	96.45	95¼
Methanex	12.20	11.95	12	12.05
Moore	26½	26	26	26.30
Newbridge Net	85¾	84.20	85.35	84.20
Noranda Inc	27.90	27½	27¾	27.45
Norcen Energy	34	33¾	33¾	33¾
Nthern Telecom	146.90	145	146.10	145.65
Nova	11.80	11.60	11.65	11.60
Onex	36.35	36¼	36.35	36.35
Pancan Petlm	25	24.55	24.90	24.90
Petro Cda	25.40	25.10	25.10	25.10
Placer Dome	26¼	25¼	25½	25.90
Poco Petlm	13.40	13.10	13.15	13¼
Potash Sask	115½	112.35	114¼	112.35
Renaissance	34.55	34.20	34.20	34½
Rio Algom	30¾	30.10	30¾	30.15
Rogers Cantel B	25¼	24¾	24.90	24.80
Seagram Co	48.80	47.80	48.15	48½
Shell Cda A	24.90	24.60	24.85	24¾
Suncor	51	50½	50.65	50.60
Talisman Eny	51¼	50¼	50.85	50¾
Teck B	27.90	27	27.20	27.90
Teleglobe	49.95	49½	49.90	49½
Telus	29.05	28¾	28.95	28.80
Thomson	33.70	33.35	33.40	33.70
TorDom Bank	47¾	46.90	47.40	46.80
Transalta	18.70	18.30	18½	18.30
TransCda Pipe	27.10	26.85	26.90	26.95
Trimark Finl	78	77	77.65	77.05
Trizec Hahn	36¼	36	36.20	36.15
TVX Gold	8.70	8.35	8.40	8.70
Westcoast Eny	29.40	29.10	29.15	29.10
Weston	110.05	109½	109.60	109¼

Vienna
ATX index: 1458.80
Previous: 1439.48

	High	Low	Close	Prev.
Boehler-Uddeh	1071.85	1036	1071.85	1038.05
Creditanst Pfd	656.15	639	656.15	654.40
EA-Generali	3380	3351	3360	3370
EVN	1620	1581	1598	1571
Flughafen Wien	528	512	523	522.50
OMV	1929.90	1880	1925	1880
Oest Elektriz	891.45	881	891	883
VA Stahl	617.50	605.50	616.40	605.50
VA Tech	2689	2675.10	2675	2680
Wienerberg Bau	2665	2609	2658	2622

Wellington
NZSE-40 index: 2573.26
Previous: 2575.89

	High	Low	Close	Prev.
Air N Zealand B	4	3.98	4	3.99
Brierly Invt	1.38	1.37	1.38	1.38
Carter Holt ord	3.49	3.42	3.44	3.43
Fletch Ch Bldg	5.14	5.08	5.08	5.10
Fletch Ch Eny	6.97	6.85	6.90	6.85
Fletch Ch Forst	1.97	1.92	1.93	1.95
Fletch Ch Paper	3.34	3.27	3.28	3.30
Lion Nathan	3.85	3.80	3.83	3.82
Telecom NZ	8.07	7.99	7.99	7.97
Wilson Horton	11.35	11.35	11.35	11.45

Zurich
SPI index: 3713.98
Previous: 3675.46

	High	Low	Close	Prev.
ABB B	2153	2131	2148	2136
Adecco B	595	583	584	590
Alusuisse R	1444	1420	1435	1432
Ares-Serono B	2800	2670	2800	2880
Atel R	870	853	870	870
Baer Hdg B	2330	2251	2320	2250
Baloise Hdg R	2445	2365	2390	2334
BK Vision	1270	1235	1260	1240
Ciba Spec Chem	143.50	141	143	141.50
Clariant R	1202	1185	1200	1183
Crd Suisse Gp R	214	209	213.75	206
Elektrowatt B	535	533	535	535
Ems-Chemie	7015	6915	7015	6945
ESEC Hdg	4005	3975	4000	4000
Holderbank B	1386	1370	1381	1375
Liechtenst LB B	573	573	573	570
Nestle R	2090	2058	2080	2054
Novartis R	2273	2246	2270	2241
Oerlikon Buehr R	189	186	188.25	187
Pargesa Hld B	1930	1880	1930	1870
Pharm Vision B	911	897	911	902
Richemont A	1890	1851	1880	1866
Pirelli PC	333.50	329	332	333.50
Roche Hdg PC	13510	13390	13435	13300
SBC R	399	390	393	391
Schindler PC	1765	1730	1763	1723
SGS B	2680	2585	2600	2600
SMH B	920	895	920	865
Sulzer R	1165	1124	1153	1132
Swiss Reins R	2254	2209	2219	2212
SAir Group R	1985	1940	1965	1953
UBS B	1725	1687	1705	1700
Winterthur R	1544	1506	1531	1488
Zurich Assur R	649	632	641	643

The Trib Index
Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	179.98	+0.45	+0.25	+20.68
Regional Indexes				
Asia/Pacific	120.26	-1.19	-0.98	-2.57
Europe	198.59	+0.06	+0.03	+23.19
N. America	209.75	+1.60	+0.77	+29.55
S. America	177.74	+3.76	+2.16	+55.33
Industrial Indexes				
Capital goods	225.65	+0.65	+0.29	+32.02
Consumer goods	197.83	+0.80	+0.41	+22.55
Energy	210.54	-0.47	-0.22	+23.33
Finance	134.28	-0.15	-0.11	+15.30
Miscellaneous	193.12	-0.02	-0.01	+19.37
Raw Materials	188.74	-0.47	-0.25	+7.62
Service	171.04	+1.70	+1.00	+24.56
Utilities	174.86	+1.08	+0.62	+21.89

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Compiled by Bloomberg News.

NYSE

Thursday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

GLUMLY, SHE STARED

AT HER REFLECTION IN THE SOUP SPOON AND FELT LONELIER THAN A GOLDFISH.

Once again their annual wedding anniversary pilgrimage to Scotland had been cancelled at the last minute. Last year Roger had jetted off to Taiwan on business. Full of apologies and promises that next year would be different. Now it was Singapore. Admittedly he'd brought her along this time. And even taken a suite in the magnificent Raffles Hotel. (After telling her they were headed for the YMCA, the rogue.) But still. For him to be called away like this just as they were sitting down to dinner was just too much. She wished she'd never come. Her sullen thoughts were interrupted by a waiter asking if there was anything wrong with her untouched glass of champagne? She turned and found the fellow grinning at her with the sort of impudent expression her husband often employed. Which was hardly surprising. For indeed it was her husband, squeezed into the sommelier's uniform. The hotel administration had been more than happy to indulge the unusual request when the gentleman approached them earlier in the day. As for the lady, gallantry forbids quotation of the phrase she uttered at this point.

RAFFLES HOTEL SINGAPORE

A RAFFLES INTERNATIONAL HOTEL

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Continued on Page 18

صكذا من الاصل

ASIA/PACIFIC

Thai Bond Sale Faces Skeptical Audience

Downgrade Imperils $10 Billion Plan

Compiled by Our Staff From Dispatches

TOKYO — *Hit by severe* currency turmoil and downgradings of its credit, Thailand may have difficulty proceeding with its plan to offer bonds to Japanese and U.S. investors, underwriters in Tokyo said Thursday.

A senior Finance Ministry source in Bangkok said Wednesday that Thailand planned to issue $10 billion of bonds in Japan and the United States to create an agency to handle domestic asset-quality problems.

But Moody's Investors Service Inc. said Thursday it had lowered its rating on Thailand's long-term foreign-currency debt to Baa-1 from A-3 and that its outlook on those obligations was still negative.

A senior underwriter at a Japanese brokerage said: "In these circumstances, it will be very difficult to attract interest from Japanese investors. Also, I think not many brokerages will be brave enough to underwrite the Thai issues."

Underwriters said the Thai government had been showing interest in issuing samurai bonds — as yen-denominated bonds issued in Japan by foreigners are called — since the currency turmoil broke out after its de facto devaluation of the baht July 2.

"We've been told by Thailand that it has been eager to raise funds in Japan since the turmoil broke out," a second underwriter said. "Basically, our view on Thailand has not changed, and Japanese investors remain very cautious."

The source at the Thai Finance Ministry said the issue would be brought out by two key state enterprises, Exim Bank and Industrial Finance Corp., this month or next.

Thai stock and foreign exchange markets shrugged off the downgrades. Bangkok's benchmark SET stock index closed at 550.86 points, up 3.06. The dollar closed at 36.35 baht, down from 36.55 baht at the close of trading Wednesday.

Analysts said the debt downgrades had been anticipated and discounted by the markets, but they said the announcement would further erode Thailand's image.

"Thailand needs to work out a way to regain investors' confidence," one trader said. "At this point, there are too many uncertainties."

Deputy Prime Minister Thaksin Shinawatra said the downgrade was not surprising but that the government would work to restore order to bring the credit rating back up.

The government is to unveil a plan Oct. 15 to strengthen financial institutions. Finance Ministry officials said the package would probably require banks and finance companies to raise provisions for deteriorating assets and their stricter quality classification.

Also on Thursday, Prime Minister Chavalit Yonchaiyudh said the government was considering slashing an additional 140 billion baht ($3.9 billion) — *or 15 percent* — from its 1998 budget.

Spending cuts are needed to ensure a budget surplus of 1 percent of gross domestic product, a requirement of a $17 billion bailout package arranged by the International Monetary Fund in August, he said.

The government also is likely to allow 100 percent foreign ownership of finance companies as part of its effort to rehabilitate insolvent lenders, the prime minister said.

(Reuters, Bloomberg)

■ An Asian Monetary Fund?

Despite U.S. criticism, Asian nations are moving ahead with plans to set up a regional monetary fund modeled on the $17.2 billion Japanese-led rescue package cobbled together in August for the Thai economy, the Los Angeles Times quoted senior Japanese Finance Ministry officials as saying.

A proposal for an "Asian Monetary Fund" of as much as $100 billion was a hot topic of discussion at the International Monetary Fund meeting in Hong Kong last month. But the apparent opposition of the United States led some to conclude that the establishment of the fund was unlikely.

U.S. criticism was based largely on fears that such a fund might undercut the tough conditions the IMF attaches to bailouts, as well as on concerns that a Japanese-led regional organization might freeze out the United States, analysts said.

But in a briefing for reporters Wednesday in Tokyo, a Finance Ministry official, speaking on condition of anonymity, said plans for a regional fund were moving forward.

He insisted, however, that the new organization would supplement and support IMF activities, not undermine them.

Defaults Drain Manila Bank

Shares of PNB Tumble, and Investors Are Warned Off

Bloomberg News

MANILA — Philippine National Bank, once the country's largest and most profitable bank, is in its *annus horribilis*.

As disclosure after disclosure places the 81-year-old bank at the epicenter of borrower defaults, its share price has plummeted to about one-fifth of what it was in mid-1996.

"You need to change something at PNB, and it's not the decor," said Noel Reyes, vice president for research at Anscor Hagedorn Securities Inc.

Even with the stock, which closed at 74 pesos ($2.16) Thursday, down 4.50, trading at half its break-up value — unheard of for a company that is still its country's second-largest bank — few are recommending it. Analysts say a slowing economy and more expensive credit may damage its earnings *and that the falling peso could cause more defaults*, because a third of its loans are dollar-denominated.

"Since potential losses from bad loans are increasing, write-offs are inevitable," Mary Karen Torres, an analyst at Sapphire Securities Inc., said. *She said she recommended avoiding the stock.*

It wasn't supposed to be this way.

In December 1995, the government sold shares in the company, reducing its stake to 47 percent and turning the state-owned bank into a private concern.

In theory, that was the start of its turnaround: Free of bureaucrats and the rules that hobble state companies, the bank would turn into a lean competitor for the industry's best banking concerns.

For a time, investors agreed. The stock doubled *from December 1995, reaching 350.91 pesos in July* 1996, its peak for the year.

But then came a string of headline-grabbing defaults, starting in March when Victorias Milling Co., the country's largest sugar refiner, declared a moratorium *on debts totaling 4.4 billion pesos.*

Last month, EYCO Group, an appliance maker that had moved into property development, said it could no longer service its debts. On Wednesday, Eduarosa Realty & Development Corp. threw in the towel on *half a billion pesos of loans.*

Philippine National Bank has exposure to the three totaling about 1.5 billion pesos, or three-fourths of its expected earnings for this year. "When anyone doesn't pay his bills in the Philippines, it shows up on PNB's balance sheet," John Mangun, a portfolio strategist at I.B. Gimenez Securities Inc., said.

A bigger worry is that its largest loan, to RJ Ventures Realty & Development Corp., came near the brink this week. Only an unidentified rescuer's investment in RJ Ventures allowed the developer, which hopes to build Manila's tallest office building, to meet a payment deadline on its 3 billion-peso loan to the company.

It's not all PNB's fault, analysts say. The currency turmoil sweeping Southeast Asia has led to higher interest rates that are clobbering growth and pushing borrowers to the brink.

Reflecting moves by the central bank to tighten regulations and push banks to set aside more funds against bad debts, the Manila exchange's 10-company finance index has plunged 37 percent since the peso's devaluation July 11, worse than the benchmark index's 25 percent slide.

The central bank's directive ordering banks to have at least 2 percent of loans as a buffer will hit Philippine *National Bank especially hard, analysts say.* Sapphire Securities says earnings this year could be wiped out.

"Loan-loss reserves are not considered to be adequate, especially in light of a general rising trend in nonperforming loans in the Philippine banking industry because of competition," Moody's Investors Service Inc. said.

Still, PNB does have its strengths.

For one, it has a network of 320 branches, almost as big as that of Metropolitan Bank & Trust Co., which *is needed to gather cheap deposits.*

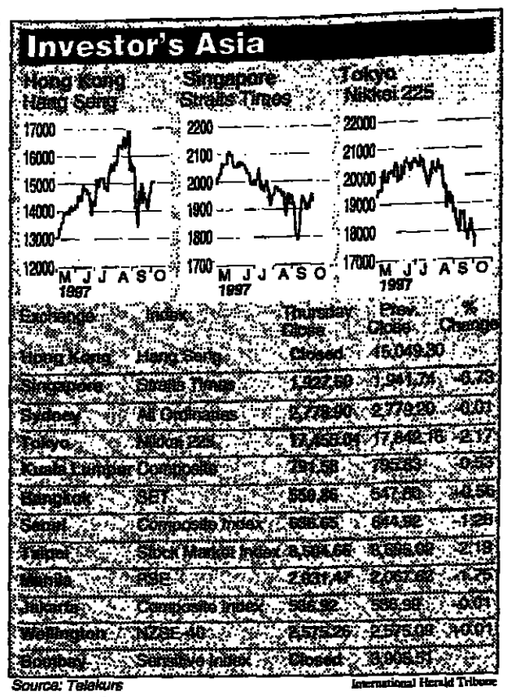
And it is still the biggest in the $6 billion-a-year remittance business, the economy's lifeline of dollars from overseas Filipinos.

This year, it expects to handle $3 billion sent home *by Philippine workers in Hong Kong and the Middle* East.

Those attributes could be attractive to other banks, especially foreign ones that might want to build a presence in the Philippines quickly.

"The only thing I see," *said Carlos Jalandoni,* banking analyst at UBS Securities (East Asia) Ltd., "is you buy this for a possible buyout."

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	closed	45,049.80	
Singapore	Straits Times	1,922.59	1,941.74	-0.73
Sydney	All Ordinaries	2,779.90	2,779.20	0.03
Tokyo	Nikkei 225	17,455.04	17,842.76	-2.17
Kuala Lumpur	Composite	751.58	755.85	-0.57
Bangkok	SET	550.86	547.80	+0.56
Seoul	Composite Index	698.65	694.82	+1.28
Taipei	Stock Market Index	6,108.66	6,368.09	-2.19
Manila	PSE	2,851.47	2,867.80	-0.75
Jakarta	Composite Index	566.92	566.98	-0.01
Wellington	NZSE-40	2,575.29	2,575.08	+0.01
Bombay	Sensitive Index	Closed	3,006.51	

Source: Telekurs International Herald Tribune

Very briefly:

• **Sembawang Corp.**, the Singapore-based ship repairer, said it would buy a 51 percent stake in the bakery chain **Delifrance Asia Ltd.** for 165.8 million Singapore dollars ($108 million).

• **Ford Motor Co.** failed in a bid to persuade the South Korean government to protect its investment in debt-ridden **Kia Motors Corp.** "There cannot be any favors for a particular *shareholder or for Ford*" *said a Finance Ministry official.*

• **Merrill Lynch & Co.** bought **Centaurus Corporate Finance**, *an adviser to many of Australia's top companies*, and said it planned to buy a local fund-management business.

• **Vietnam's** *new prime minister, Phan Van Khai, told the* official Saigon Times Daily that the state sector would have to compete on even terms with private and foreign firms.

• **Vietnam** has cleared foreign investment projects worth $2.9 billion since the beginning of the year, 25 percent less than in the first nine months of 1996, Saigon Times Daily said.

• **Unilever NV**, the Anglo-Dutch consumer-products concern, plans to sell its coffee business in Australia and New Zealand.

• ***Chichibu Onoda Cement Corp.*** *is to merge with* **Nihon Cement Co.** on Oct. 1, 1998, creating Japan's largest cement company.

Bloomberg, Reuters

Dismal Japan Sentiment Pummels Stocks

Bloomberg News

TOKYO — The economy is sputtering, and the *question is no longer when it will turn around, analysts* said Thursday, but how low it can go.

Stocks tumbled to their lowest levels in eight months and bonds rose to record highs a day after the nation's broadest business survey, the Bank of Japan's *tankan*, showed that executives throughout Japanese industry expected conditions to deteriorate further this year.

As a result, both manufacturers and service companies slashed sales and profit growth projections for the year.

"I was hesitant before," Mineko Sasaki-Smith, an economist at Credit Suisse First Boston, said of the *survey*, "but it made me certain we're facing a steeper downturn." With sales slumping, prices are likely to remain static or fall as retailers struggle to attract business. That means the central bank could keep interest rates at historical lows of 0.5 percent until 1999, Michael Hartnett of Merrill Lynch Japan said.

Lower sales and profits could mean that companies also will put the brakes on hiring, pushing up unemployment to record levels. Many other companies could collapse or find it far more difficult to dispose of trillions of yen of debt.

The continued fallout over the tankan results sent the benchmark Nikkei 225-stock index plummeting 387.12 points, or 2.17 percent, to 17,455.04. The yield on the benchmark government bond fell to 1.755 percent, its lowest close ever, from 1.790 percent Wednesday.

Nomura Down, Maybe Not Out

Reuters

TOKYO — Nomura Securities Co. tumbled from its position as Japan's top stock trader because of its involvement in a racketeer pay-off scandal, but the damage to its standing may be only temporary, analysts said Thursday.

"Institutional investors have started to place their orders at foreign securities houses," said a manager at another major Japanese brokerage. "But whether foreign brokerages will further expand their share depends on whether they can respond to sometimes unreasonable requests from investors."

Virus Stalls Compaq in Japan

Reuters

TOKYO — Compaq Computer Corp., the world's leading personal computer maker, said Thursday that its plans to attack the Japanese market with an inexpensive model had been set back by a virus that came from the manufacturing plant.

Compaq's Japanese subsidiary, Compaq KK, said about 10 percent of a new line of low-end PCs shipped to Japan last month had been infected with the virus at a plant in Taiwan.

It said only about 20 to 30 of the infected computers had reached consumers since going on sale Sept. 12.

The Presario 2210 PCs are made by an outside manufacturer and are priced at around $1,000.

Since the virus was found in the Japanese-language software, models sold elsewhere have not been found to have the virus, the company said.

PC makers seldom have virus infection problems during the manufacturing process. The manufacturers, however, are being exposed to higher risks of viruses because of the increasing use of the Internet to install software.

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THE WORLD'S DAILY NEWSPAPER

ASIAN CAPITAL HOLDINGS FUND
20, Boulevard Emmanuel Servais, L-2535 Luxembourg
R.C. Luxembourg B 43 100

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of ASIAN CAPITAL HOLDINGS FUND will be held at the registered office of the Company on 14th October 1997 at 4:00 pm with the following agenda:

1. To consider and if thought fit to resolve that the co-ordinated version of the Articles of Incorporation dated April 29, 1996, be amended so that *the first line of Article 17 must read as follows:*
"The corporation shall indemnify any Director or ..."
2. Translation of the first line of Article 17 of the Articles of Incorporation into French.
3. Any other business.

The shareholders are advised that a quorum of 50 % is required for the item of the agenda of the Extraordinary General Meeting and that decision will *be taken at the majority of the two thirds of the shares present or* represented at the meeting. Each share is entitled to one vote. A shareholder may act at any meeting by proxy.

For the Fund

Banque de Gestion Edmond de Rothschild Luxembourg
Société Anonyme
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NASDAQ

Thursday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Thursday's 4 P.M. Close

(Continued)

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INTERNATIONAL FUNDS

October 2, 1997

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The Communicator.
NOKIA 9000

هكذا من الأصل

WORLD ROUNDUP

Swiss Want Spartak Barred From Cup

SOCCER Sion, the Swiss champion, said Thursday it would not replay its UEFA Cup against Spartak Moscow after protesting that the goals were too small.

Sion protested to UEFA when it discovered the goal crossbars in the Lokomotiv Stadium for its first-round 2-2 draw with Spartak were 12 centimeters (4.7 inches) too low.

Spartak advanced to the second round 3-2 on aggregate.

"We'll appeal if ordered to replay," said Christian Constantin, the Sion president. "There is no reason to replay a match simply because the hosts didn't respect the rules. The sanction is very clear. The result must be annulled, and replaced by a 3-0 result in favor of FC Sion."

Constantin, a former goalkeeper, noticed the discrepancy 20 minutes before kickoff.

"They had half an hour to raise the crossbars, but they just wouldn't do it," he said. Spartak led 1-0 from the first leg in Switzerland. "Smaller goals means it's harder for both teams to score," Constantin said. "Smaller goals favor a team that doesn't need to score and Spartak didn't need to. But were trailing."

Constantin said the Russian club had been "very attentive" to the size of the goals in the first match and had demanded a goal width be corrected by 2 millimeters.

Vyacheslav Koloskov, head of the Russian soccer union, said Sion was attempting to "win the match at the table." *(AP)*

Ijaz Blasts India

CRICKET Ijaz Ahmed hit a 68-ball century on Thursday as Pakistan thrashed arch rivals India in Lahore to win a three-match series of one-day internationals, 2-1.

Pakistan bowled India out for a modest 216 in 49.2 overs and passed that total in a mere 26.2 overs.

Ijaz and his hard-hitting partner Shahid Afridi gave the home side a rousing start of 80 in 49 balls. Afridi cracked 47 off 23 balls, hitting five fours and three sixes. Ijaz hit six sixes and seven fours. *(Reuters)*

Henman Advances

TENNIS Tim Henman of Britain exploited poor serving by Karol Kucera of Slovakia on Thursday, to win, 6-4, 6-1, and move into the quarterfinals of the $1 million Swiss Indoor in Basel.

Russian Yevgeni Kafelnikov, the No. 1 seed, beat Ivo Heuberger of Switzerland, 6-2, 4-6, 6-3, but other seeds fell. Lionel Roux of France beat Carlos Moya, the Spanish No. 2 seed, 6-3, 3-6, 7-6. Magnus Norman beat fellow Swede, Jonas Bjorkman, seeded No. 5, 6-1, 6-4. *(Reuters)*

AFP

Yevgeni Kafelnikov hitting to Ivo Heuberger on Thursday.

Manchester United Gets By Juventus, 3-2

The Associated Press

LONDON — Juventus scored after 24 seconds and again in the final minute of its Champions Cup match in Manchester, but in the 90 minutes between the two goals everything went wrong for the Italian champion, which lost, 3-2.

Alessandro Del Piero gave Juventus the lead when he popped up all alone in the otherwise deserted Manchester United penalty area and easily beat goalkeeper Peter Schmeichel.

Teddy Sheringham equalized for the English champion with a powerful downward header. After Didier Deschamps, Juve's midfield workhorse, was ejected in the second half,

CHAMPIONS CUP SOCCER

United scored twice. Paul Scholes burst through the Italian defense, skipped around goalkeeper Angelo Peruzzi and put United ahead. In the 90th minute, Ryan Giggs increased the lead when he flashed a shot past Peruzzi from a narrow angle but there was still time for Zinedine Zidane to curl a precise free kick over the United defensive wall and past Schmeichel.

United has a maximum six points from two games in Group B, three ahead of Juventus and Dutch club Feyenoord, which beat Kosice of Slovakia, 2-0, in Rotterdam.

The result gave United a measure of revenge for past results and England encouragement for a future encounter with Italy. Juventus and United were also in the same Champions League group last season when the Italians won both matches, 1-0. Seven members of the United team are in the English squad for the World Cup qualifying match against Italy in Rome on Oct. 11. England needs to win or draw to win the qualifying group. Italy must win to overtake England. Up to four members of Wednesday's Juventus team could be picked for Italy.

In Rotterdam, Jean-Paul Van Gastel gave Feyenoord a 26th-minute lead with a penalty kick that sneaked through goalkeeper Ladislav Molnar's fingers. Julio Cruz added the second goal eight minutes later when he headed home after Van Gastel's free kick hit the bar.

Group A Stephane Chapuisat scored twice as Borussia Dortmund, the defending champion, beat Sparta Prague, 4-1, in Germany to stay atop its group.

In Italy, Parma climbed to second with a 2-0 victory over Galatasaray of Turkey.

Group B Barcelona, one of the favorites in the competition, stumbled again Wednesday.

Barcelona drew, 2-2, at home against PSV Eindhoven, even though the visitors played most of the match with 10 men.

Chris Van der Weerder, a PSV defender, was ejected in the 37th minute.

Luis Enrique headed Barcelona into the lead in the 60th minute, but PSV's midfielder Philip Cocu leveled nine minutes later.

In the 73d minute, Luis Enrique turned sweetly on the edge of the PSV penalty area to score his second.

But Peter Moller scored PSV's second equalizer with five minutes left.

PSV and Barcelona remain three points behind Dynamo Kiev and Newcastle United, which drew, 2-2, in Kiev.

Serguei Rebrov shot Kiev ahead in the fourth minute. The English team then lost its star striker, Faustino Asprilla, to a knee injury and fell behind, 2-0, in the 28th minute when Andriy Shevchenko scored with a low cross shot.

But the bounce of the ball favored Newcastle in the second half as defender John Beresford scored twice.

Group D Real Madrid, which has won the competition a record six times, scored an impressive 2-0 victory in Oporto against FC Porto, the Portuguese champion.

Rosenborg of Norway thrashed Olympiakos, the Greek champion, 5-1, in Trondheim and lies second in the group.

Group E Bayern Munich, the German champion, beat Gothenburg, 3-1, in Sweden to pull clear at the head of its group.

Group F Two goals each by Thierry Henry and Nigerian star Victor Ikpeba gave Monaco a 4-0 home victory over Bayer Leverkusen of Germany.

Sporting Lisbon, which drew, 1-1, in Ghent against Lierse, the Belgian champion, leads the group with four points, Monaco and Leverkusen have three and the Belgians one.

Slovenians Stop Solna With Draw

The Associated Press

Mladen Rudonja scored in extra time Thursday to give NK Primorje of Slovenia a 1-1 draw in the Cup Winners Cup and a 2-1 aggregate victory over AIK Solna of Sweden.

Even though it was playing at home in Ajdovscina, Primorje seemed content to guard its one-goal advantage, but Nebojsa Novakovic leveled for Solna in the 77th minute and forced the match into overtime.

The Swedes missed a penalty, hit a post and squandered a host of other chances before Rudonja headed the winner for the home team after a corner in the 110th minute.

Copenhagen won 2-0 in the pouring rain in Armenia, to eliminate Ararat Yerevan 5-0 on aggregate.

In Moscow, Lokomotiv of Moscow outplayed and dominated Belshina Belarus en route to a 3-0 victory to advance to the second round 5-1 on aggregate.

John Giles-The Associated Press

Paul Scholes of Manchester United beating Angelo Peruzzi, the Juventus goalie, to score his team's second goal.

New Beatles Inspire Reggae Boyz

By Jere Longman
New York Times Service

While surfing the World Wide Web earlier this year, U.S. Coach Steve Sampson came across a German soccer player named Michael Mason.

The midfielder spoke little English and had never set foot in America, but Mason's father was a retired serviceman born in Philadelphia. Thus, under soccer's liberal rules, the son was eligible for the U.S. national team. Mason was signed up and, given his Internet connection, was nicknamed Dotcom.

It is a common practice for national soccer teams to cast a wide net for players. Jack Charlton, who coached Ireland during the World Cup in 1990 and 1994, was an acknowledged master. If a player had ever vacationed on the Emerald Isle, or stopped in to buy a wool sweater, Charlton seemed to find a way to make him eligible.

And, after struggling early in the final round of qualifying for the 1998 World Cup, Jamaica took a plunge into the international talent pool.

Friday, when Jamaica plays the United States in Washington, its squad will feature four players from England who have revived a ragged, deflated team and given it a chance to become the first World Cup qualifier from the Caribbean since Haiti in 1974.

Collectively, these British sons of Jamaican immigrants have been labeled the Fab Four or the Beatles. One of them, Deon Burton, scored the winning goal for Jamaica in both of its recent 1-0 victories over Canada and Costa Rica.

A victory Friday would vault the Reggae Boyz, as the team is known, to the top of the North American, Central American and Caribbean region with two games left. The top three teams in the six-team final qualifying group will advance to the World Cup in France.

Rene Simoes, the Brazilian who has coached Jamaica to the verge of its first World Cup appearance, wanted players who were born in Jamaica and who played in Jamaica. He changed his mind after his team scored two goals in its first five qualifying games. The Reggae Boyz had wasted a chance at victory in a 0-0 draw at home against an unprepared U.S. team in March. Then Jamaica lost 6-0 in Mexico after brawling with a Mexican club team during an earlier scrimmage.

Onandi Lowe, one of Jamaica's top players, walked off the field during the Mexico game after refusing Simoes' order to switch positions. He was later suspended for four years.

Simoes needed to make changes.

"I knew there were more than 100 players in the United Kingdom who have parents from Jamaica," he said. "My first attitude was to build a Jamaican product. But we needed more experience, a more professional attitude."

For a couple of years, Paul Hall and Fitzroy Simpson, had been sending letters and press clippings to the Jamaican federation from their playing base in Portsmouth, England.

When they came to Kingston for a tryout in June, they asked a teammate, the Burton, 20, to join them.

"There didn't seem to be any harm in him coming, so we said OK," said Horace Reid, general secretary of the Jamaican federation.

Burton, whose father is from Jamaica, didn't have any high hopes.

"I was just going there to get fit for the English season," he said. "This is all a big surprise."

The last three months have been a splendid blur. Burton was sold by Portsmouth, of the English first division, to Derby County which plays a division higher in the Premier League. In Jamaica, he has gone from afterthought to national hero after his winning goals against Canada and Costa Rica. His shaved-head brilliance and cafe-au-lait skin have brought him the nickname of Ronaldo, after the Brazilian star.

"From the looks of it, he's a bit better than me, and he has a lot more money," Burton said.

Paired at forward with Burton, Hall has scored six goals in eight games since joining the Jamaican team. Simpson has helped build cohesion in the midfield. Robbie Earle, 32, who plays for Wimbledon in the Premier League, has come off the bench to relieve Burton.

The English presence has allowed Simoes to dismiss another dissident, striker Walter Boyd, who criticized the coach for "wanting to be God".

"They have the English mentality, a high work rate," said Steve Sampson, the U.S. coach. "In the past, Jamaica was criticized for a lack of organization and work rate."

A berth in the World Cup would have implications beyond soccer.

"It would be a welcome push to the Jamaican psyche," said Reid, general secretary of the soccer federation. "Each day in Jamaica and the Caribbean we wake up to face the difficulties of the economy and employment. This would give us added incentive to go out and put in hard work."

Garnett Signs Record Contract

The Associated Press

MINNEAPOLIS — Kevin Garnett surpassed Shaquille O'Neal as the owner of the richest contract in professional sports, agreeing with the NBA's Minnesota Timberwolves on a six-year extension worth more than $121 million.

The deal, which some reports priced as high as $125 million, surpassed O'Neal's seven-year, $120 million contract with the Los Angeles Lakers in total value, annual value and shock value. Michael Jordan has the richest one-year deal at an estimated $36 million for the 1997-98 season.

"We all had sticker shock on the whole thing," Kevin McHale, Minnesota's vice president of basketball operations, said Wednesday. "We put Kevin in the category of 'future elite player.'" Garnett, 21, has only played two seasons in the NBA.

While neither side would confirm the exact contract figure, Garnett's agent, Eric Fleisher, called it "a precedent-setting" pact and acknowledged that it eclipsed O'Neal's.

The Wolves managed to persuade Garnett to sign without an "opt-out" clause, a provision which would have allowed him to leave before 2004, when the extension expires.

"It's not about the loot," said Garnett.

SCOREBOARD

BASEBALL

MAJOR LEAGUE PLAYOFFS

WEDNESDAY'S LINESCORES

AMERICAN LEAGUE

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Seattle	000	100	101	—3	7	1

Mussina, Orosco (8), A.Benitez (9) and Holles, Webster (6); Ra.Johnson, Timlin (6), Spoljaric (6), B. Wells (7), Charlton (8) and Da.Wilson. W—Mussina 1-0. L—Ra.Johnson 0-1. HRs—Baltimore, Berroa (1), Holles (1). Seattle, E. Martinez (1), A.Rodriguez (1), Buhner (1).

(Baltimore leads series 1-0)

NATIONAL LEAGUE

Houston	000	300	000	—3	6	2
Atlanta	003	035	02x	—13	16	1

Hampton, Magnante (5), R.Garcia (6), Lima (7), B.Wagner (8) and Ausmus, Pena (8); Glavine, Cather (7), Wohlers (9) and J. Lopez. W—Glavine. 1-0. L—Hampton. 0-1. HR—Atlanta, Blauser (1).

(Atlanta leads series 2-0)

San Francisco	111	100	101	—4	11	0
Florida	201	201	001	—7	10	2

Estes, D. Henry (4), Tavarez (6), R. Rodriguez (8), R.Hernandez (9) and B. Johnson; A.Leiter, L. Hernandez (5), Nen (9) and C.Johnson. W—Nen 1-0. L—R. Hernandez 0-1. HRs—San Francisco, B.Johnson (1). Florida, Sheffield (1), Bonilla (1).

(Florida leads series 2-0)

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
x-Yakult	79	59	2	.611	—
Yokohama	69	58	0	.543	9
Hiroshima	64	63	0	.504	14
Yomiuri	60	71	0	.458	20
Hanshin	58	72	1	.447	21½
Chunichi	58	74	1	.440	22½

x-clinched league title

PACIFIC LEAGUE

	W	L	T	Pct	GB
Seibu	74	53	3	.581	—
Orix	65	58	3	.528	7
Kintetsu	65	61	4	.515	8½
Nippon Ham	63	71	1	.470	14½
Daiei	59	67	1	.469	14½
Lotte	55	71	2	.438	18½

THURSDAY'S RESULTS

CENTRAL LEAGUE

Chunichi 4, Yokohama 3

Hiroshima vs. Yakult, ppd., rain

PACIFIC LEAGUE

Nippon Ham 10, Lotte 2

ICE HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	1	0	0	2	3	1
Tampa Bay	1	0	0	2	4	2
Washington	1	0	0	2	4	1
New Jersey	0	0	0	0	0	0
N.Y. Islanders	0	0	0	0	0	0
N.Y. Rangers	0	0	0	0	0	0
Florida	0	1	0	0	1	3

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	1	0	0	2	3	1
Montreal	0	0	1	1	2	2
Ottawa	0	0	1	1	2	2
Pittsburgh	0	0	1	1	3	3
Boston	0	0	0	0	0	0
Carolina	0	1	0	0	2	4

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Detroit	1	0	0	2	3	1
Phoenix	1	0	0	2	6	2
Dallas	0	0	1	1	2	2
Chicago	0	1	0	0	2	6
St. Louis	0	1	0	0	1	3
Toronto	0	1	0	0	1	4

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Edmonton	1	0	0	2	5	3
Colorado	0	0	1	1	2	2
Los Angeles	0	0	1	1	3	3
Anaheim	0	0	0	0	0	0
Vancouver	0	0	0	0	0	0
Calgary	0	1	0	0	1	3
San Jose	0	1	0	0	3	5

WEDNESDAY'S RESULTS

Los Angeles	2	1	0	3
Pittsburgh	2	1	0	3

First Period: P-Hatcher 1 (Brown, Jagr) (pp). 2. P-Marozov 1 (Jagr, Francis) 3, L.A.-Galley 1 (Smyth, Stumpel) (pp). 4, L.A.-Galley 2, (pp). Second Period: L.A.-Robitaille 1 (Galley, Smyth) (pp). 6, P-Hatcher 2 (Jagr, Olausson) (pp). Third Period: None. Overtime: None. Shots on goal: L.A.- 8-8-12-1—29. P- 8-7-13-1—29 Goalies: Fiset. P-Barrasso.

Ottawa	1	1	0	2
Montreal	2	0	0	2

First Period: M-Richer 1 (Malakhov, Recchi) (pp). 2, O-Zhoitok 1 (Bonk, Kravchuk) (pp). 3, M-Richer 2 (Thornton, Tocker) Second Period—O-Kravchuk 1 (Dackell) (sh). Third Period: None. Overtime: None. Shots on goal: O-8-11-10-1—30. M- 7-4-12-2—25. Goalies: O-Rhodes. M-Moog.

Florida	1	0	0	1
Philadelphia	1	2	0	3

First Period: P-Gratton 1 (Tharien, Prospal) 2, F-Niedermayer 1 (Mellanby) Second Period: P-Zubrus 1 (LeClair, Coffey) (pp). 4, P-Falloon 1 (Prospal, Gratton) (pp). Third Period: None. Missed penalty shot—P-Klatt) third. Shots on goal: F- 10-6-8—24, P-8-12-9—29. Goalies: F-Vanbiesbrouck. P-Hedall.

Carolina	1	1	0	2
Tampa Bay	2	1	1	4

First Period: T-Ciccarelli 1, 2, T-, Renberg 1 (Ciccarelli, Bradley) (pp). 3, Carolina, Dineen 1 (O'Neill) Second Period: Carolina, Emerson 1 (Chiasson, Primeau) (pp). 5, T-Ciccarelli 2 (Yeaboerl, Hamrlik) (pp). Third Period: T-Renberg 2 (Bradley, Zamuner) (en). Shots on goal: Carolina 13-11-5—29. T-9-6-12—27. Goalies: Carolina, Kidd. T-Puppa.

Washington	4	0	0	4
Toronto	1	0	0	1

First Period: W-Svejkovsky 1 (Johansson, Juneau) (pp). 2, W-Reekie 1 (Konowalchuk, Bulis) 3, T-Karolev 1 (Johnson, Clark) (pp). 4, W-, Juneau 1 (Oates, Johansson) 5, W-Zednik 1 (Konowalchuk) Second Period: None. Third Period: None. Shots on goal: W-9-10-9—28. T- 17-11-8—36. Goalies: W-Ranford. Kolzig. T-Potvin.

Buffalo	1	2	0	3
St. Louis	1	0	0	1

First Period: B-Dawe 1 (McKee) 2, S.L.-, MacInnis 1 (Duchesne) (pp). Second Period: B-Satan 1 (Holzinger, Shannon) 4, B-Ward 1 (Satan, Wilson) Third Period: None. Shots on goal: B- 7-10-2—19. S.L.- 15-8-11—34. Goalies: B-Hasek. S.L.-Fuhr.

Dallas	1	0	1	2
Colorado	0	1	1	2

First Period: D-Modano 1 (Zubov, Nieuwendyk) (pp). Second Period: C-Kamensky 1 (Forsberg, Lemieux) (pp). Third Period: D-Adams 1, 4, C-Klemm 1 (Yelle, Kurri) Overtime: None. Shots on goal: D- 11-8-5-2—26. C- 9-8-11-3—31. Goalies: D-Belfour. C-Roy.

Detroit	1	1	0	2
Calgary	0	0	1	1

First Period: D-Brown 1 (Kozlov) (pp). Second Period: D-Shanahan 1 (Lidstrom, Lapointe) (pp). Third Period: C-Iginla 1 (Stillman, Hulse) 4, D-Lapointe 1 (Shanahan, Lidstrom) (en). Shots on goal: D- 7-6-7—20. C- 6-10-10—26. Goalies: D-Osgood. C-Tabaracci.

Chicago	1	0	1	2
Phoenix	1	1	4	6

First Period: C-Probert 1 (Sykora, Suter) (pp). 2, Phoenix, Numminen 1 (Roenick) Second Period: Phoenix, Corkum 1 (Roenick) (sh). Third Period: Phoenix, Drake 1 (Ronning, Gartner) 5, C-Krivokrasov 1 (Shantz, Probert) 6, Phoenix, Maciver 1 (Janney, Gartner) 7, Phoenix, Roenick 1, 8, Phoenix, McKenzie 1 (Tocchet, Ronning) Shots on goal: C- 8-11-11—30. Phoenix 8-5-12—25. Goalies: C-Hackett. Phoenix, Khabibulin.

Edmonton	1	2	2	5
San Jose	0	3	0	3

First Period: E-McAmmond 1 (Bannister, Whitney) Second Period: S.J.-McSorley 1 (Burr, Ragnarsson) 3, E-Arnott 1 (Whitney, Weight) (pp). 4, S.J.-, Kozlov 1 (Nolan, Bodger) (pp). 5, S.J.-Kozlov 2 (Nicholls) 6, E-Arnott 2 (Weight, Marchment) Third Period: E-Berehowsky 1 (Kovalenko, Bannister) (pp). 8, E-Weight 1 (Marchant, Kovalenko) (pp). Shots on goal: E- 5-15-7—27. S.J.- 15-9-14—38. Goalies: E-Joseph. S.J.-Vernon.

BASKETBALL

EUROLEAGUE

GROUP B

PAOK Salonika 72, Estudiantes Madrid 76

GROUP C

Ulkerspor, Turkey 67, Pau Orthez, France 64.

GROUP D

Teamsystem Bologne 70, AEK Athens 67

CRICKET

PAKISTAN VS. INDIA

3D AND FINAL 1-DAY

THURSDAY, IN LAHORE, PAKISTAN

India: 216 in 49.2 overs

Pakistan: 219 for one in 26.2 overs

Pakistan won by 9 wickets, wins series 2-1.

PAKISTAN CB XI VS SOUTH AFRICA

3-DAY MATCH, 2D DAY

South Africa: 305-7 declared and 152-5

Pakistan Cricket Board XI: 132.

SOCCER

CHAMPIONS' LEAGUE

GROUP A

Borussia Dortmund, 4, Sparta Prague, 1

Parma, 2, Galatasaray, Turkey 0

STANDINGS: Dortmund 6 points; Parma 4; Sparta Prague 1; Galatasaray 0

GROUP B

Feyenoord Rotherdam 2, Kosice, Slovakia 0

Manchester United 3, Juventus 2

STANDINGS: Manchester United 6 points; Juventus 3; Feyenoord 3; Kosice 0

GROUP C

Barcelona 2, PSV Eindhoven, Netherlands 2

Dynamo Kiev 2, Newcastle United 2

STANDINGS: Dynamo Kiev 4 points; Newcastle United 4; Barcelona 1; Eindhoven 1.

GROUP D

Porto 0, Real Madrid 2

Rosenborg, Norway 5, Olympiakos Piraeus 1

STANDINGS: Real Madrid 6 points; Rosenborg 3; Olympiakos 3; Porto 0.

GROUP E

IFK Gothenburg 1, Bayern Munich 3

Besiktas, Turkey 3, Paris St Germain 1

STANDINGS: Bayern Munich 6 points; Paris St Germain 3; Besiktas 3; Gothenburg 0.

GROUP F

Lierse, Belgium 1, Sporting Lisbon 1

Monaco 4; Bayer Leverkusen 0

STANDINGS: Sporting Lisbon 4 points; Monaco 3; Bayer Leverkusen 3; Lierse 1.

CUP WINNER'S CUP

Ararat Yerevan, Armenia 0, Copenhagen 2

FC Copenhagen won 5-0 on aggregate.

Primorje Ajdovscina, Slovenia, 1, AIK Stockholm 1

Primorje won 2-1 on aggregate.

Lokomotiv Moscow 3, Bobruisk, Belarus, 0

Lokomotiv Moscow won 5-1 on aggregate.

VfB Stuttgart 2, Vestmannaeyjar, Iceland 1

Stuttgart won 5-2 on aggregate.

TRANSITIONS

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

ATLANTA—Signed G Walter Bond and F Jared Prickett.

CHICAGO—Signed G Dante Calabria, F Boris Gorsene, G Rusty LaRue, F Komel David, F Dwayne Whitfield and C Eric Gingold to 1-year contracts.

DENVER—Traded F Antonio McDyess to the Phoenix for a minimum of three 1st-round and two 2d-round draft picks. Signed F Eric Williams.

DETROIT—Signed F-C Don Reid to multiyear contract and F Scot Pollard and F Charles O'Bannon.

MIAMI—Signed F Ben Davis and G Malcolm Huckaby.

MINNESOTA—Agreed to terms with F Kevin Garnett on 6-year contract.

NEW YORK—Signed G Pete Myers.

PHOENIX—Traded G Wesley Person and G Tony Dumas to Cleveland for 1st-round pick no earlier than 2000.

VANCOUVER—Signed F Mark Hendrickson, F David Booth, C Alan Ogg and G Litterial Green.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

DENVER—Waived LB Hillary Butler.

MIAMI—Signed LB Mike Crawford and FB Jim Kitts.

NEW ORLEANS—Signed S Chris Hewitt to 1-year contract.

N.Y. JETS—Agreed to terms with CB Aaron Glenn on 5-year contract extension.

N.Y. GIANTS—Signed RB Eric Pegram.

OAKLAND—Signed DE Aundray Bruce.

TENNESSEE—Signed TE James McKenzie and WR Nate Singleton.

HOCKEY

NATIONAL HOCKEY LEAGUE

CAROLINA—Signed RW Kevin Dineen to 1-year contract extension through 1998-99 season, and F Kevin Brown to 1-year contract.

NEW JERSEY—Assigned G Richard Shulmistra to Fort Wayne, IHL. Put D Sheldon Souray and C Sergei Brylin on injured reserve.

N.Y. ISLANDERS—Assigned RW Dan Plante, RW Vladimir Orszagh and D John Namestikov to Utah, IHL, and RW Steve Webb to Kentucky, AHL.

N.Y. RANGERS—Assigned C Christian Dube and D Geoff Smith to Hartford, AHL.

PHOENIX—Assigned C Chad Kilger to Springfield, AHL.

PITTSBURGH—Signed F Robert Dome and RW Rob Brown. Assigned G Peter Skudra to Houston, IHL. Claimed F Peter Ferraro and F Chris Ferraro off waivers from N.Y. Rangers.

ST. LOUIS—Assigned D Ricard Persson to Worcester, AHL.

SAN JOSE—Re-signed D Mike Rathje. Assigned D Richard Brennan to Kentucky, AHL.

TORONTO—Traded F Kelly Chase to St. Louis for future considerations.

WASHINGTON—Signed C Jan Bulis to multiyear contract.

COLLEGE

BOISE STATE—Dropped LB Andre Griffin and WR Jerome Reed from football team and suspended DB Damon Boule for the rest of season for violating unspecified team rules.

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صحتنا في الأول

Orioles Romp, Beating Johnson for 4th Time

9-3 Victory Trumps the Mariners' Ace

By Mark Maske
Washington Post Service

SEATTLE — The Baltimore Orioles made it 4-for-4 against Randy Johnson in 1997 and began the playoffs on an overwhelmingly successful note.

They roughed up baseball's dominant pitcher this year once more, and they rode the handiwork of their own pitching ace, Mike Mussina, to a lopsided 9-3 triumph over Johnson and the Seattle Mariners at the Kingdome in Game 1 of their first-round series.

The Orioles got home runs from Geronimo Berroa and Chris Hoiles. Mike Bordick, Eric Davis and B.J. Surhoff each batted in two runs.

"I'm not someone to think of sending messages and how a series might turn on one game," the Orioles third baseman Cal Ripken said. "These are two great teams. But the fear going in is that Randy is going to have a big influence on the series. For us to win the first game makes you feel a lot better. But you still have to win two more."

Davey Johnson, the Orioles' manager, again went to his right-handed-hitting lineup — minus Rafael Palmeiro, Surhoff and Roberto Alomar — against the left-handed Randy Johnson. And again it worked.

Johnson surrendered five runs on seven hits and four walks in five innings, and Palmeiro, Alomar and Surhoff were in the game by the sixth. Johnson was 0-3 with a 6.38 earned run average in four starts against the Orioles this year, and the Mariners lost all four games. He had a 20-2 record against everyone else in '97.

Mussina was, by far, the better pitcher.

He served up homers to Edgar Martinez in the fourth and Jay Buhner in the seventh. But he limited the Mariners to five hits and two runs over seven innings for the biggest victory of his career. He didn't issue a walk and struck out nine.

Bordick got the Orioles going with a run-scoring double in the third inning. The Orioles then had a four-run fifth against Johnson and added four in the sixth against relievers Mike Timlin and Paul Spoljaric.

Brady Anderson provided a tie-breaking run-scoring single in the fifth after Paul Sorrento, the Seattle first baseman, helped out with a throwing error. Davis had a two-run single in the inning, and Berroa left the Kingdome's largest-ever baseball crowd — 59,579 — virtually silent with an opposite-field home run. Hoiles opened the sixth with a homer off Timlin. Bordick added a run-scoring single, and Surhoff capped the inning with a two-run pinch-hit double off Spoljaric to make it 9-1.

Ripken finished the night with three hits, while Anderson and Bordick had two each. Bordick and Jeffrey Hammonds scored two runs apiece.

Alex Rodriguez hit a ninth-inning homer off reliever Armando Benitez for Seattle's third run.

Davey Johnson, as promised, had Jeff Reboulet at second base, Jerome Walton at first base and Hammonds in left field in the starting lineup.

"I'll just sleep better tonight," the manager said. "A lot of times you have to take a gamble that's calculated. I felt like I had to put my neck on the chopping block. But it's not really a risk when you have great players."

The Orioles broke through in the third. Hammonds drew a one-out walk on four pitches. No. 9 hitter Bordick fouled off two pitches after the count reached 0-2, then doubled into the left field corner, scoring Hammonds.

Hammonds got the Orioles going in the fifth by drawing a leadoff walk. Randy Johnson had him picked off as Hammonds broke for second base. But Sorrento got his feet tangled and made an off-balance, low throw to second. The ball struck Hammonds and bounced into left field. Bordick drew a walk, and Anderson squeezed a base hit through the middle to put the Orioles in front, 2-1.

Reboulet fouled off two bunt attempts but got down a two-strike bunt to advance the runners. Davis had struck out in his previous two at-bats and fell behind in the count again, but on a 1-2 pitch he pulled a chopper over third baseman Mike Blowers to get both runners home. Davis was thrown out trying to steal second base, but Berroa sent a drive over the right field fence to make it 5-1.

Piniella went to Timlin in the sixth, and Hoiles deposited his third pitch beyond the wall in left-center field. Palmeiro, hitting for Walton, yanked a shot to right-center for a double and scored one out later when Bordick grounded a single into center field. Alomar, batting for Reboulet, was walked intentionally with two out, and Surhoff, hitting for Davis, singled to score Bordick and Alomar.

Chris Theiler/Agence France-Presse

Jeff Blauser of the Braves connecting for a three-run homer off Mike Hampton.

Braves, Up 2-0, Aren't Partying Yet

By Ray Glier
Washington Post Service

ATLANTA — The Atlanta Braves have a lead of two games to zero over the Houston Astros in their National League Division Series and can wrap up the best-of-five series on Friday in Houston.

The Braves know what you're thinking: They embarrassed the Yankees in the first two games of the 1996 World Series, looked unbeatable and were proclaimed a lock for the title. But New York retaliated with four straight victories to shock the Braves and everyone who had thought the Braves were in. That's why the Braves assumed nothing after they crushed the Astros, 13-3, on Wednesday.

"It's not over," said Jeff Blauser, the Braves' shortstop. "We know that better than anyone. We've been through enough of these postseason series to know you can never relax. Ask the Cardinals about that." The Cardinals led the Braves by three games to one last year before losing the National League Championship Series.

However, if Houston's pitching remains as shaky as it was Wednesday, there is no way the Astros will gather momentum. The Braves drew 10 walks, including eight issued by Houston's starting pitcher, Mike Hampton.

The Braves took control of what was a 3-3 game in the fifth inning when the southpaw Hampton walked four consecutive batters. There were two out in the inning when he lost all command. Of his next 18 pitches, 16 were balls. After Hampton walked Andruw Jones to force in a run with the bases loaded, pinch-hitter Greg Colbrunn bounced a single into right field to score two runs off reliever Mike Magnante, and it was 6-3.

The Braves ended all drama in the sixth inning by scoring five runs, four of them unearned, after an error by Houston's first baseman, Jeff Bagwell.

Alou's Clutch Hit Gives Marlins 2d Late Victory

By Charlie Nobles
New York Times Service

MIAMI — Standing in the batters box with the game on the line, facing a man with a 100-mile-an-hour fastball, Moises Alou had to cast aside the fact that he had no hits in eight playoff at-bats.

"Those last at-bats really didn't mean anything," Alou said. "My thought was, 'I have everything to gain and nothing to lose.'"

"Actually I was 0 for 0 in my mind," the Marlins left fielder said in the afterglow of a 7-6 victory over the San Francisco Giants, made possible by his single with two out in the ninth against reliever Roberto Hernandez.

The dramatic finish gave Florida a 2-0 lead in the best-of-5 Division Series, with the teams resuming play on Friday in San Francisco.

Alou's hit up the middle scored Gary Sheffield, who had singled to open the ninth inning and stole second. Dante Powell's throw from center field appeared to have a chance to get Sheffield — who had got a slow start on Alou's hit — but it hit the mound and bounced up.

"It looked like it had a good chance of getting him," Giants manager Dusty Baker said. "It's a game of inches," he added ruefully.

For the Giants, a major league best 43-28 in games decided by one or two runs in the regular season, this was their second straight playoff loss in that category.

Jim Leyland, the Marlins manager, marveled at how his club put together a rally against Hernandez after San Francisco had tied the game in the top of the ninth on two errors. "It's the most amazing thing to me that a guy can even throw a ball 100 miles an hour," Leyland said. "That's hard enough. But then to be able to hit it hard somewhere, that's just as amazing."

After a pause, he added, "Basically I'm telling you why I started managing at age 26."

Bobby Bonilla and Sheffield each had three hits for the Marlins. Bonilla drove in three runs and Sheffield one — with a home run. Rookie pitcher Livan Hernandez, 9-3 in the regular season but demoted to the bullpen for the playoffs, surrendered three hits and a run over four innings.

Al Leiter started for Florida, but he never developed any consistency, allowing four runs and seven hits, with three walks, over four innings. Fellow lefty Shawn Estes didn't fare any better. The Giants starter left after a shaky three-plus innings.

The Giants were down by a run in the ninth. Darryl Hamilton reached first on an error by first baseman Jeff Conine. Then Stan Javier, who had four hits in the game, managed a broken-bat single that barely reached the outfield grass. Jose Vizcaino struck out trying to bunt. Then Barry Bonds strode to the plate to face reliever Robb Nen. Power against power.

Nen won the battle by getting Bonds to hit a routine bouncer to shortstop. But in seeking to turn an inning-ending double play, second baseman Craig Counsell threw wildly to first, allowing the tying run to score.

"This victory was huge," a smiling Alou said. "The way we're playing, I like our chances against anybody."

Jeff Mclsaac/The Associated Press

Theoren Fleury, left, of Calgary checking Doug Brown of Detroit.

Hasek, With 33 Saves, Leads Sabres to Victory

The Associated Press

Dominik Hasek picked up where he left off last season, making 33 saves as the Buffalo Sabres beat the St. Louis Blues, 3-1, on opening night in the National Hockey League.

"The same old tricks," his teammate Dixon Ward said of Hasek. "He doesn't surprise us anymore."

Last season Hasek became the first goaltender since Jacques Plante in 1962 to be named the NHL's Most Valuable Player. On Wednesday night he stopped several point-blank shots.

"I thought we outplayed them, outgunned them and just couldn't buy one," said Brett Hull of the Blues who was blanked on six shots.

The Sabres made it a successful debut for Lindy Ruff, one of eight coaches who started with new teams Wednesday. The coaches had a combined 4-2-2 record.

Miroslav Satan, Jason Dawe and Dixon Ward scored for the Sabres.

Al MacInnis scored for St. Louis.

NHL Roundup

Lightning 4, Hurricanes 2 In Tampa, the renamed and relocated Hartford Whalers lost their first game as the Carolina Hurricanes. Dino Ciccarelli had two goals and an assist for the Lightning. Mikael Renberg also scored two goals for Tampa Bay, the second into an empty net with 31 seconds left. Kevin Dineen and Nelson Emerson scored for the Hurricanes.

Kings 3, Penguins 3 Garry Galley scored twice in his return to the Los Angeles lineup and as the Kings rallied from a two-goal deficit to tie in Pittsburgh. It was the Penguins' first game since Mario Lemieux's retirement.

Luc Robitaille, also on his second tour with the Kings, put Los Angeles ahead 3-2 at 4:04 of the second. Kevin Hatcher's second power-play goal made it 3-3 at 14:31 of the second. Alexi Morozov scored his first NHL goal for Pittsburgh, playing its first game under coach Kevin Constantine.

Flyers 3, Panthers 1 Chris Gratton, the former Tampa Bay center who signed a five-year, $16.5 million contract with Philadelphia, had a goal and an assist as the Flyers beat visiting Florida.

Dainius Zubrus and Pat Falloon also scored and Ron Hextall made 23 saves in the Flyers' first game under coach Wayne Cashman.

Capitals 4, Maple Leafs 1 In Toronto, Bill Ranford and Olaf Kolzig combined to make 35 saves and Washington scored four first-period goals against the Maple Leafs.

Canadiens 2, Senators 2 Igor Kravchuk scored a shorthanded goal midway through the third period as Ottawa tied in Montreal.

Stephane Richer scored both goals for Montreal, playing its first game under coach Alain Vigneault.

Stars 2, Avalanche 2 Ed Belfour, making his debut for Dallas after leaving San Jose as a free agent, made 29 saves in the Stars' tie with Colorado.

Red Wings 3, Flames 1 In Calgary, Brendan Shanahan and Martin Lapointe each had a goal and an assist and Chris Osgood made 25 saves as Detroit opened its Stanley Cup title defense with a victory over Calgary.

Coyotes 6, Blackhawks 2 Jeremy Roenick scored a goal and had two assists to lead the Coyotes to victory in Jim Schoenfeld's debut as coach.

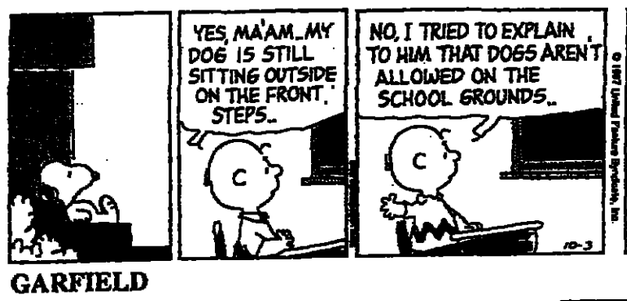
Oilers 5, Sharks 3 In San Jose, Jason Arnott scored two goals and Edmonton goalie Curtis Joseph made 35 saves to improve to 19-3 against the Sharks.

Drake Berehowsky broke a 3-3 tie on a two-man advantage at 7:55 of the third period, and Doug Weight and Dean McAmmond also scored for the Oilers. Mike Vernon, the playoff MVP last season for Detroit, made 22 saves for the Sharks.

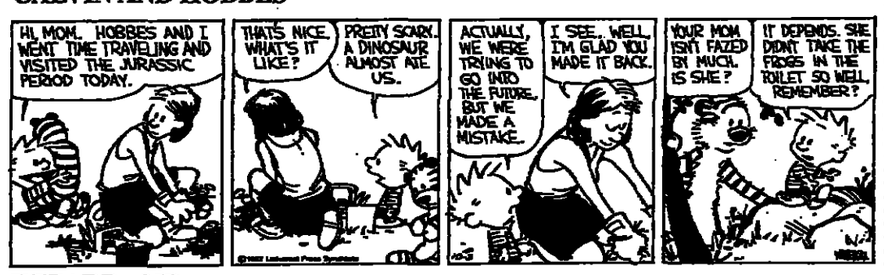
DENNIS THE MENACE

"BOY, MY MOM SURE DOES NO A LOT!"

PEANUTS



CALVIN AND HOBBES



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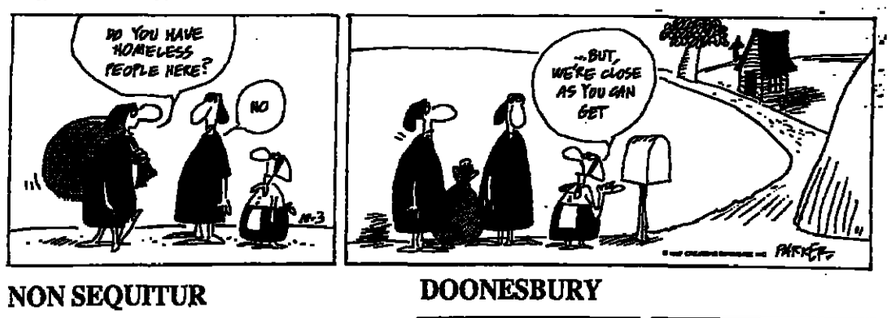

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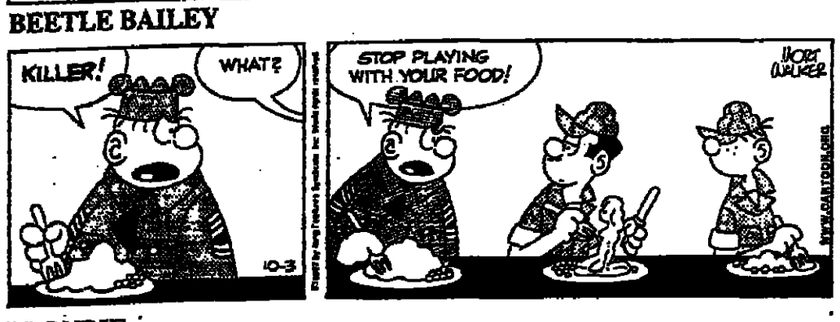

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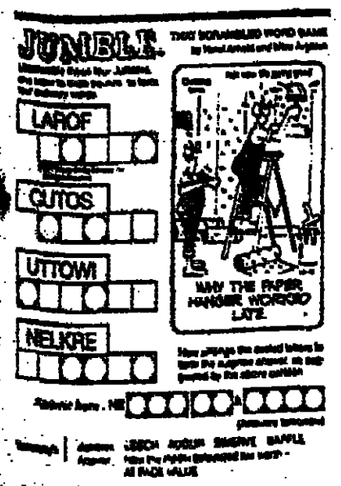

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POSTCARD

A Clockwork Crime

By Ronald Smothers
New York Times Service

CAMDEN, New Jersey — Francis X. Vitale Jr. was undone by time.

It all started, he said, with his passion for antique clocks, a passion that became an obsession and led him to embezzle more than $12.4 million from Engelhard Corp., where he was a senior vice president with the power to approve expenditures of up to $1 million.

He said in federal district court here this week that he used the money to build what became known as one of the world's finest collections of 18th- and 19th-century European clocks. Like most collectors, it was not just the intricate meshing of gears and inner workings, or the beauty and ornate craftsmanship of the casings, that fascinated him. It was, he once wrote, "the fine art of time" itself.

Vitale, 53, in an agreement with the U.S. attorney's office in New Jersey, pleaded guilty to one count of wire fraud and one count of tax evasion, and faces up to five years in prison. He will be sentenced in January. His multimillion-dollar clock collection was auctioned off to help make restitution to Engelhard, a specialty chemical and metal products maker, and pay the Internal Revenue Service.

In the year after his embezzlement was discovered, Vitale has lost his job, lost his antique clock shop in his hometown of Spring Lake, put his million-dollar home on the market, entered therapy and volunteered for community service. He has overseen the auctioning off of the objects of his desire without the slightest hint to the world that it was a sale ordered by his accusers to make restitution and by prosecutors as a condition for leniency.

Vitale, slightly built, gray-haired and somber in a slate-gray suit, was mostly silent during the half-hour proceeding before Judge Joseph H. Rodriguez. His lawyer, Justin P. Walder, emphasized that the money was not stolen to "support a lifestyle of fast women and slow horses."

"He was obsessed to the point that it interfered with his judgment," Walder said. "The money was used to purchase and resell antique clocks, because he marveled at their creation and was in awe of their creators. This isn't an excuse or defense for what he did. Just an explanation."

Many of the clocks wound up in a museumlike antique shop owned by Vitale and his wife, Linda, in a white stucco building with large arched windows in downtown Spring Lake.

□

"They dealt in absolutely exquisite clocks, and people would fly in from Europe to buy their clocks," said Rosemary Morrissey, co-owner of the Village Clock Shop in adjacent Spring Lake Heights. "The cheapest thing I saw there was $17,000."

Faith S. Hochberg, the U.S. attorney for New Jersey, said that the case came under federal jurisdiction because it involved a multinational, publicly held corporation and a series of international transactions and wire transfers.

"We've seen straight-out embezzlement cases and there have been crimes of fraud which involved more money," she said in a telephone interview. "But rarely have we seen a high-level corporate executive earning an enormous salary in the high six figures breach a trust in order to support an obsession with clocks."

The Soul of Polish Jazz and the Free Market

By Mike Zwerin
International Herald Tribune

PARIS — For all you nostalgia nuts out there we herein proclaim the renaissance of Polish jazz.

The first European jazz festival was in Sopot, a beach resort near Gdansk. It was August 1956, only two years after the first American jazz festival in Newport.

Pianist Krzysztof Komeda topped the bill. His was the first Polish band to play modern jazz. The next year Roman Polanski commissioned Komeda to write the music for his film "Two Men and a Wardrobe." It was the first film for both of them.

They would go on to make "Knife in the Water," "Cul de Sac" and "Rosemary's Baby" together. They were pals. Komeda also wrote music for Andrzej Wajda films, among others — more than 40 in all.

Tomasz Stanko, Komeda's trumpeter, has just released an album of his music called "Litania" (ECM). And he'll be playing Komeda on tour this fall in London, Stockholm, Copenhagen, and the Nancy and Berlin jazz festivals.

A group named after Komeda that Billboard magazine described as a "surreal Swedish pop band" released a record titled "The Genius of Komeda." The magazine said that Komeda the composer was "known for his elemental and often jazz-oriented music for the movies." And the band's leader says that Komeda "used rhythm and melodies in unexpected ways to form a nice mood."

"Nice moods" were not exactly what Krzysztof Komeda was looking for, but never mind. "You use what situations you get," as Stanko says.

In 1969 in Hollywood, just as it was beginning to look like he would have a career there, Komeda fell down, hit his head, went into a coma and died. "The success of 'Rosemary's Baby,'" says Polanski, "owed much to Komeda's empathy and creative imagination."

Komeda's lyrical music has been more accurately described as "Slavic soul." And Stanko is one soulful Pole, a funky Slav indeed.

"I use situations," he says. "I respect commercial laws. The law of the marketplace. I have to respect it. If I have jazz to sell, I must know that it is difficult to sell."

Ironically, it was easy to sell under the Communist dictatorship, even though there was only one client. The state bought pretty much all of it. The Polish Jazz Society had perfected many ways to obtain subsidies from the state to make music that expressed the musicians' hatred of it.

It was a wonderful joke. Polish jazz players were heroes behind the Iron Curtain. The audience loved the joke even when they did not quite get the music. The system, however, did not seem to get any of it. The money kept coming in.

Without the political metaphor, however, Polish jazz had to stand in line with everyone else. Stanko quickly understood that the secret was to be "independent. I don't need much money. I don't have family. My girlfriend has her own money. I have this loft I bought 15 years ago in cheap times. One hundred square meters, good neighborhood in Warsaw. You don't find that any more.

"I don't go out much. I don't drive a car. I don't have a hobby, like golf. Only music. I stopped drinking and I stopped doping. I stopped for financial reasons, to be independent, not for health. I am a strong guy.

"The record business is also getting privatized now. I get very small money for reissues. Drop by drop. To live, Poland is maybe 40 percent cheaper than France. Restaurants are expensive, but I don't need restaurants. The food is bad anyway. I wait for better times. I cook myself macrobiotic food. I use the situation to learn cooking."

Stanko's Komeda project was the idea of Manfred Eicher, president of ECM Records. Stanko says: "I trust Manfred. But it was difficult to figure how important is Komeda. I looked into it deeper. I think it is a good idea, musically and commercially. So I try. I do the best I can."

Tomasz Stanko respects "the law of the marketplace."

To begin to understand how the free musical market hit Poland you should know that Polish bands got gigs on German cruise ships because they were cheaper than German bands and just as good: "Everybody was afraid what would happen to jazz in a free market, afraid it would get more commercial. It's hard for people to adjust.

"But," Stanko continues, "there was more work. More festivals, small Polish festivals in small towns. Before it was just the state. There are a lot of promoters now, in each city there is a promoter. There is lots of competition. But I do O.K. I have a very good band and a very low overhead."

Looking back now, Stanko realizes that had Komeda not died in Hollywood, he might very well have wound up there himself. Actually, Komeda had promised him. As it was, Stanko formed his own band in Warsaw: "I never emigrated because it's a tough life in America and I'm a lazy cat. Now I work harder. I work the telephone. Terrible. But what to do?

"I have a problem with languages It's difficult for me to learn. I only speak Polish and very bad English. Sometimes that is better. You can say to a promoter: 'Sorry, I don't understand.'"

He lost his teeth a few years ago. Developing a new embouchure has been a slow process. He's lucky because his "dirty sound" was already his trademark. So it can stay dirty. He has a good dentist, and his new teeth can withstand the pressure of a mouthpiece. No implants, however. "With implants, you are never sure what will break first."

He had only been breaking in his new teeth for two months when the French director Louis Malle called to offer him $3,000 to play on the sound track of his latest movie.

"O.K." Stanko told Malle. "Right away. No hesitation," even though his lip was still getting tired quickly. Luckily it was only half an hour of music and "my sound was just as dirty as ever."

He practices long tones. Hours and hours of long tones every day. They are so very, very boring. But thanks to long tones his lip is strong again — even stronger than with real teeth. He practices long tones while watching television: "Boring television makes long tones less boring. Stupid soap operas. Football. The Tour de France is very good. Tennis is best."

THE MEDIUM IS THE MESSAGE

An Enfant Not-So-Terrible in Britain's House of Poetry

By Warren Hoge
New York Times Service

LONDON — The coming act is announced, and the crowd begins to quiet down. It's Murray Lachlan Young, who is going to recite his own work.

Quieter still.

It's poetry.

Dead silence.

A tall man in drainpipe trousers, quilted vest, velvet Regency frock coat and lank Byronic locks strides purposefully onto the stage. The applause is strained. He stands and glowers. "They're thinking to themselves, 'Oh my God, Oh my God, this is really terrible, how long is he going to go on for, what am I going to have to do, am I going to have to pretend to like this, this is going to be dreadful,'" said Young. "And all this before I have said a single word."

Over coffee in his Soho arts club, Young was describing his nightly encounters with the shuddering fear induced in audiences by the mere mention of the word poetry. "We do associate the idea of a person standing up in a room about to recite his poetry with an element of terror, and I play on that a little bit at the start of my show when I just stand there and look very correct." And he heightens the bar for himself by versifying in places where people dare not utter the dreaded p-word — places like nightclubs in the West End, film premiere parties, rock concert arenas, bikers' pubs, discotheques and television show launches.

"Poetry clubs would be preaching to the converted, and that's not my scene," he said. "I like to go places where there's the danger that something could go horribly wrong."

No matter how much he ups the peril factor, little goes wrong these days for Young. Billed as a "performance poet," he has captured the attention of people who never paid attention to poetry, indeed has achieved rock star status in Britain. Commercial confirmation has come with a $1.8-million package deal with EMI, which has recorded "Vice & Verse," a disk of his readings to jazz backgrounds, and a $400,000 contract with MTV for a series of 90-second cameos now airing in Britain and the United States.

As the audience cowers, he speaks. The attitude is superior, snarly, mischievous, with lots of theatrical pauses, angular glances and bitten consonants that carve sharp edges on his words. "Half man, half prawn, reclining on a corned beef chaise longue/ Yes, contemporary art is what I speak of," and Young is off on a wicked tear sending up conceptual art.

The poem talks of a gallery opening where the buzz of anxious anticipation is interrupted by a miniature breed dog who squats and defecates at the entrance. "Hence a group from the art school/ Had left their depression/ Declaring a spontaneous act of expression."

Murray Lachlan Young, master of performance poetry.

Young, 28, writes of a video generation world of consumers of hip, art brats, ravers, faux aristocrats and soi-disant sophisticates he has inhabited in his own louche periods. He actually studied the subject through a remarkable college major at Salford University in Manchester that announced itself as the first-ever degree course in media performance. The title of Young's thesis? "The Sociology of Stardom."

The titles of his poems are less self-conscious, more playful. There are "The Closet Heterosexual," "I'm Being Followed by the Rolling Stones," "The Boy Who Struck the Recording Deal" and "Simply Everyone's Taking Cocaine," his signature work, which he declaims in a tone of affectation pitched somewhere between Ascot and Henley.

Surprisingly, they are morality fables, with vague cultural links going back to the "Cautionary Tales" of the British writer Hilaire Belloc 80 years ago and the whimsical social pamphleteering of the Victorians. He may have dressed in white and doused himself with talcum powder for the reading of his most famous piece, but he is not making the decadent demimonde activity he lampoons sound dashing.

"Oh how gay it all seems/ And how bright we all are/ How much fun we are having/ And oh what a lark/ To have blistering jousting/ And sharp repartee/ Oh please less less/ less about you/ And please more, more/ More, more about me."

He chose a recent well-tailored gathering of Britain's glitterati at an elegant lawn party in southern England to declaim his "Casual Sex," in which people giddily shout out the brand names of designer luxury goods at moments of ecstasy.

His young fans respond enthusiastically even when they're not clear exactly what you, um, call it. "I played a comedy club last night," he said, "and afterwards these people came up to me and said, 'I don't like poetry, but I thought what you did was great.'"

Young was born in Washington, where his Scottish father, a British Ministry of Defense representative, was posted, but he was reared in Kent. Dyslexic, he had trouble reading words, so he compensated by saying them. "I come from a rugby-playing family, and I went to a tough, rugby-playing school, and I was tall and very thin. I learned to be a fast talker because it was a way of staying in one piece in school. You either fought or you talked or you withdrew, and I've never been a sort of withdrawing person."

An underachiever in school, he aimlessly worked as a bicycle courier, a pizza cook, a farm helper, and a gardening assistant until he spotted an advertisement in a newspaper for the sui generis course at Salford. He auditioned with some Shakespeare readings, earned a spot, and soon found himself writing, performing, and having his work recognized. "When someone first mentioned style in conjunction with writing with me, it was a huge shock," he said.

Praise for his style is not what he hears from more established poets. "The medium is his message, and in this case the medium is hype," said Michael Horovitz, a pioneer of jazz poetry in Britain 30 years ago and organizer of periodic marathons of poetry readings. Stephen Trousse, publications director of the Poetry Society, wrote an article in the group's newsletter with a bemused view of what he called the "viruperative" reaction to Young's striking it rich. "It seems to have been the temerity of assuming the title of poet that incurred the wrath of the Guardians of Literature," he said.

Young said he would like to be valued as someone who is acting as a missionary for poetry rather than trivializing it. "Don't these poets realize they're busy guarding the entrance to a room that nobody wants to go into?"

PEOPLE

ONE of the symbols of Berlin, the statue of **Frederick the Great**, has been taken from his pedestal in central Berlin to undergo a face-lift. Hundreds of people watched as the equestrian statue was hoisted into a truck and taken off for a 1.6 million Deutsche mark ($900,000) clean-up. The sculptor, **Christian Daniel Rauch** in 1840 began the statue to commemorate the Prussian king's rule from 1740 to 1786. At the time, the 13.5-meter (44-foot) work was the largest bronze statue in northern Europe. It is expected that two years will be needed to repair the ravages of time and of assailants, such as the radical Spartacists, who fired shots at the statue early in this century.

□

The Somali-born model **Iman**, the wife of the rock star **David Bowie**, says she has frequently been the victim of racial discrimination. In an interview published Thursday in the Daily Telegraph, Iman said: "In New York if I try to hail a taxi up-town at five or six in the evening, no one will take me. They think I want to go to Harlem. Sometimes I get into a lift and I see an old white lady clutch her handbag to her." Iman said she had also experienced discrimination in her career. "In my worst year as a model — 1982 — I earned $2 million. O.K., $2 million sounds enough, but what matters is getting the same as others. And I got less. The white women in my league were earning $8 million."

□

Prince Charles plans to see the **Spice Girls** during a visit to South Africa next month. But that's about as much as British officials were saying regarding the official visit. They confirmed only that Charles would visit the country from Nov. 1 to 5 at the invitation of **President Nelson Mandela**, and that his agenda would include attending a concert featuring the popular British pop group.

□

Bill Cosby's wife, **Camille**, has pledged $20,000 to help buy and preserve a tract of land in Greenfield, Massachusetts, that is an ancient Indian burial ground "It was really a prayer answered," said ***Jani Leverett***, president of the group, Friends of the Mohawk Trail. Conservationists and Indians say the land served as a burial ground for some of the more than 300 victims of a 1676 massacre by colonists during King Philip's War.

□

When **Ray Bradbury** speaks at the University of Evansville in Indiana on Nov. 12 the audience shouldn't expect any friendly chitchat afterward. "I don't allow questions," Bradbury said. "They're always dumb." The 77-year-old Bradbury, author of "The Martian Chronicles," "Fahrenheit 451" and other fantasy classics, said that he did not plan to retire soon and that he would continue writing "at least until I'm 99."

Agence France-Presse

NIGHT OUT — Gary Oldman and wife, Donya, at the London premiere of "Nil by Mouth," his directing debut.

□

Morgan Freeman is miffed about the comparison of his role in the new thriller "Kiss the Girls" to his role in "Seven," because in both movies he plays a police officer seeking a serial killer. "It's like comparing 'Seven' to 'Funny Girl,' they are such different characters," Freeman protests. "It's an insult." Then, Freeman smiled. "Hell, I could put on a dress and do it in drag and be a detective in a serial killer situation," he said. "Are they still going to make that comparison?"

□

The legendary Argentine tango singer **Carlos Gardel** will have a Los Angeles intersection named after him. Carlos Gardel Square will be at the corner of Gower Street and Waring Avenue. Gardel was born in France in 1890. After becoming the most famous tango singer of his day, he starred in several Hollywood films between 1931 and 1935, when he died.

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